FBIS DAILY REPORT

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## DZHUROV GIVES DINNER FOR PACT DELEGATIONS

AU172037 Sofia Domestic Service in Bulgarian 2000 GMT 17 Oct 84

[Text] On 17 October, Comrade Dobri Dzhurov gave an official dinner in honor of the delegations of the armies of the Warsaw Pact nations that are visiting Bulgaria.

In his toast Comrade Dobri Dzhurov stressed that the imperialistic circles led by the United States are doing all they can to change the balance of power in the world and undermine socialism as a sociopolitical system. He pointed out that in this complex international situation the close unity and comprehensive cooperation of the socialist countries are a decisive factor not only in their accelerated development but also in ensuring the peace and security of their peoples.

A toast was also proposed by USSR Marshal Viktor Kulikov, commander in chief of the Warsaw Pact Joint Armed Forces. He stressed that the Joint Command sees its task in strengthening and developing cooperation and unity of action of the joint armies in accordance with the instructions of the fraternal parties' Central Committees and the decisions of the Political Consultative Committee.

The dinner took place in a cordial and friendly atmosphere.

### Military Council Session Opens

AU180915 Sofia Domestic Service in Bulgarian 0900 GMT 18 Oct 84

[Text] The regular session of the Military Council of the Warsaw Pact member-countries began in Sofia today. The session was opened by Marshal Viktor Kulikov. Army General Dobri Dzhurov, member of the BCP Central Committee Politburo and minister of national defense, is delivering a speech at the moment.

## BRIEFS

ECONOMIC MANAGEMENT CONFERENCE -- Under the auspices of the MSZMP Central Committee's Institute of Social Sciences and Central Party School, working groups of communist and workers parties' central colleges and research institutes dealing with current issues of economic management from eight socialist countries -- Bulgaria, the CSSR, Cuba, the PPR, Hungary, Mongolia, the GDR, and the Soviet Union -- held a meeting in Budapest this week. At the meeting they informed each other of new results in perfecting the economic mechanism and in asserting principles of responsibility and interest in economic management. The materials from the scientific exchange of views will be published in a volume. [Text] [Budapest MAGYAR HIRLAP in Hungarian 6 Oct 84 p 4 AU]

ARMY YOUTH CONFERENCE IN PRAGUE -- A meeting of representatives of youth union organizations in the armies of the Warsaw Pact states was opened on 9 October in Prague. It was attended by delegations from Bulgaria, Hungary, the GDR, the PPR, Romania, the USSR, and the CSSR, which will exchange experience in developing patriotic and international education in the youth union organizations of their armies. [Summary] [Prague MLADA FRONTA in Czech 10 Oct 84 p 1 AU]

BTA COMMENT ON CHERNENKO WASHINGTON POST REMARKS

AU171505 Sofia BTA in English 1440 GMT 17 Oct 84

["Consistent Peace Course" -- BTA headline by BTA commentator Khristo Radev]

[Text] Sofia, October 17 -- The peaceful Soviet foreign policy course is steady, not influenced by ad hoc considerations. Its main objective is saving mankind from the horrors of a nuclear cataclysm, ensuring calm and security for the peoples. This truth already recognized by the world public was underlined again in Mr Konstantin Chernenko's replies to THE WASHINGTON POST questions.

Today's international situation urges active and purposive work to surmount the war danger. First of all this concerns the questions of limiting and removing the arms race, especially the nuclear one. The Soviet activity in this respect is well-known. Moscow's constructive and realistic initiatives on the vital problems of the day are creating conditions suitable for finding just and mutually acceptable solutions. But the specific Soviet proposals, irrespective of the positive international resonance, have never been given a respective real response on the part of the USA. The examples cited by Mr Konstantin Chernenko are sound and convincing proofs in favour of this statement.

The Soviet leader stressed once again his country's readiness for serious and business-like negotiations on a wide range of controversial issues. Of great importance in this respect is the striving expressed to reach an agreement preventing the militarization of outer space, agreements on a nuclear weapon freeze by the states owning such weapons, for absolute and general ban of the tests with it. The appeal to the USA to follow the example of the USSR and commit itself not to use nuclear weapon first sounds with particular urgency.

Exact and correct is the assessment made to the state of and prospects to Soviet-American relations. The way in which they can be normalized is indicated. But this, as Mr Konstantin Chernenko stresses, requires a bilateral wish to build the relations on the principle of equality, mutual advantage and in favour of the peace cause.

In the new document the Soviet stand on the major problems of the day is expressed with maximum precision. An appeal for a peaceful and reasonable resolving of the fundamental international issues was heard from the Kremlin once again.

REPORTAGE ON VISIT BY BELGIAN FOREIGN MINISTER

Mladenov-Tindemans Talks End

AU171318 Sofia BTA in English 1248 GMT 17 Oct 84

[Text] Sofia, Oct 17 (BTA) -- The official Bulgaro-Belgian talks, which began here yesterday between the minister of foreign affairs of Bulgaria, Mr Petur Mladenov, and the minister of foreign relations of Belgium, Mr Leo Tindemans, ended today. At today's second round of talks there were discussed global problems of the world today, especially issues pertaining to disarmament and East-West relations. The leader of the Bulgarian diplomacy spoke critically of the attempts of certain circles in the West to limit economic cooperation with the socialist countries.

The two ministers reviewed the situation in some hotbeds of tension in various parts of the world. The complicated and dangerous situation in the Middle East, too, figured on the agenda of today's talks. They have set forth their positions on the various plans of settling the conflict in this part of the world, including the possibility of convening an international conference on this question. The need was stressed to step up the common efforts aimed at solving the crisis, the core of which is the Palestine problem. The two expressed the positions of their governments as to the ways in which this can be achieved.

The strained situation in Central America was discussed in detail, including El Salvador and Nicaragua. Mr Leo Tindemans informed Mr Petur Mladenov on the meeting between representatives of the E.E.C. and the Contadora Group in the capital of Costa Rica.

The state of bilateral relations, too, was discussed. The relations were assessed as good. It was noted also that possibilities and wish do exist for their future expansion, especially in the sphere of the economy. An agreement was reached for the holding of talks on expanding the legal and contractual basis of mutual relations, more specifically in the economic sphere, and on continuing the contacts at foreign ministerial level and of the regular political consultations between the foreign ministries of the two countries.

Mr Petur Mladenov and Mr Leo Tindemans assessed the talks as constructive and held in an atmosphere of sincerity.

More on Talks

AU171321 Sofia BTA in English 1310 GMT 17 Oct 84

[Text] Sofia, October 17 (BTA) -- The official visit here of Mr Leo Tindemans, Belgium's minister of foreign affairs, continues for the second day.

During the talks with Bulgaria's Minister of Foreign Affairs Mr Petur Mladenov concern was expressed over today's international situation and the arms race, especially in the nuclear weapon sphere.

The exchange of views on the reasons for the aggravation of the international situation revealed the essential differences of the stands taken by the two parties to the talks. Mr Petur Mladenov pointed out that the aggravation of the East-West relations was the direct result of the policy pursued by certain circles in the West, especially in the USA, aimed at breaking the military parity to the detriment of the socialist states. Corroborating his thesis with a number of facts from the UN non-constructive policy, the Bulgarian minister drew the attention to the numerous proposals made by the Warsaw Treaty member-states and unilaterally by the Soviet Union, aimed at safeguarding peace. He spoke in a critical tone about the attempts by certain circles in the Western countries at restricting the economic relations with the socialist countries.

On his part the Belgian minister dwelt on the reasons which led to the aggravation of the international situation and expressed a view coinciding with the popular NATO concepts. He tried to argumentate the NATO nuclear detriment strategy and at the same time assessed positively the Soviet proposal for preventing the militarization of outer space.

Discussing the situation in the Middle East, the two parties to the talks emphasized the need to activate the joint efforts to resolve the crisis, the core of which being the settling of the Palestine issue. The conversing parties also discussed the situation in Central America.

Mr Leo Tindemans emphasized that the Sofia dialogue strengthened his conviction that the religious and racial differences, the belonging to different social systems should not and could not make a hinderance to understanding and cooperation between states.

In discussing bilateral relations the two ministers pointed out that the relations were developing well, that there was a common desire to extend them, especially in the economic sphere. Mr Petur Mladenov stressed that Bulgaro-Belgian relations could be even better if the low degree in today's international climate did not affect also the bilateral relations of the countries of the East and the West.

The Belgian minister assessed Bulgaria's economic development of the last 40 years as remarkable. He noted that the participation of nearly 30 Belgian firms at the recent Plovdiv fair attested to the desire of the Belgian business circles to extend their cooperation with Bulgaria.

At lunchtime today Mr Leo Tindemans was received by Mr Todor Zhivkov, the president of the State Council, and earlier in the morning by Mr Grisha Filipov, the chairman of the Council of Ministers. Late in the afternoon the Belgian minister is leaving Sofia.

Tindemans' Departing Statement

AU171833 Sofia BTA in English 1824 GMT 17 Oct 84

[Text] Sofia, Oct. 17 (BTA) -- Mr Leo Tindemans, Belgium's minister of foreign relations, is pleased with his two day visit to Bulgaria. The guest, who was here on an official visit at the invitation of the leader of the Bulgarian diplomacy Mr Petur Mladenov, described the talks he had as thorough and sincere. According to him bilateral relations are good and there still exist possibilities for their further promotion, especially the sphere of the economy.

Mr Leo Tindemans regards the future of mankind with optimism, and does not believe in thermo-nuclear war. But he also calls for the restoration of trust between the East and the West, for armaments control and for taking real steps towards disarmament. Belgium's minister of foreign relations assesses the necessity of improving the international climate also in the context of a future improvement of the economic relations between states with different social orders.

As regards the initiatives directed towards the creation of nuclear weapon free zones, Mr Leo Tindemans said that in this connection the idea for creating such a zone in the Balkans is of particular interest.

Tindermans Departs 17 Oct

AU171647 Sofia Domestic Service in Bulgarian 1600 GMT 17 Oct 84

[Text] On 17 October Leo Tindemans, Belgian minister of foreign relations, departed Bulgaria. He had made an official 2-day visit to Bulgaria. At Sofia airport he was seen off by Comrade Petur Mladenov, deputy ministers, and responsible officials of the Ministry of Foreign Relations.

## ZHIVKOV RECEIVES GREECE'S VAITSOS 17 OCT

AU171901 Sofia BTA in English 1827 GMT 17 Oct 84

[Text] Sofia, October 17 (BTA) -- Today Mr Todor Zhivkov, the president of the State Council, received Mr Kostandinos Vaitsos, the second minister of national economy of Greece -- chairman of the Greek side of the joint Bulgaro-Greek Economic and Techno-Scientific Cooperation Committee, who is here for the 11th session of the joint committee.

The guest delivered to Mr Todor Zhivkov cordial greetings from the President of the Republic of Greece Mr Konstandinos Karamanlis and the Prime Minister Andreas Papandreou.

At the talks a positive assessment was made to bilateral relations developing in accordance with the agreements reached at a summit level. It was emphasized that this benefited the traditional friendship and goodneighbourliness between Bulgaria and Greece. The ways and means for furthering the economic relations and specific possibilities for activating the cooperation between the different economic organisations of the two countries were discussed.

## POLITBURO DECISION ENDORSES COMPUTERS IN EDUCATION

AU171751 Sofia BTA in English 1727 GMT 17 Oct 84

[Text] Sofia, Oct. 17 (BTA) -- A decision of the Politburo of the CC of the BCP for "Providing Complex Conditions for Introducing Computer Equipment in the Process of Education" was issued here.

The document gives a high assessment and expresses support for the initiative of the CC of the Dimitrov Young Communist League (Sept. 14 1984) for promoting the popular movement for the training and working of the children and the young people with computer equipment, for raising the contribution of the youth to the introduction of this equipment in production, in public services, in management, education and in the household.

The Politburo of the CC of the BCP defined the education and the work of the youth with computer equipment as "a task of strategic significance in the all-round socio-economic development of Bulgaria in the conditions of the techno-scientific revolution and in the construction of advanced socialist society. The document outlines the concrete tasks of the party, state, economic, scientific and public organisations for providing personal and professional computers to be used in the process of education of the children and the youth, for stimulating creative and practical activities in designing programmed devices which can be used by different age groups, for working out of a scientific, systematic and organisational basis both for the process of education and self-education and for the realisation in practice of the knowledge and skills acquired. It is stressed that special attention must be paid to the introduction of computer equipment in class and extracurricular work and in all forms and stages of the educational system by providing wide application of this equipment in the process of education.

COMMENT ON CHERNENKO'S WASHINGTON POST INTERVIEW

LD172215 Prague CTK in English 1323 GMT 17 Oct 84

[Text] Moscow Oct 17 (CTK) -- The U.S. Government's words about readiness for talks with the USSR have not been confirmed by deeds that would prove the genuine wish to reach agreement on at least one substantial question of U.S.-Soviet relations, top Soviet representative Konstantin Chernenko has said.

In an interview for THE WASHINGTON POST, concerning Soviet-U.S. relations, the Soviet Communist Party general secretary and president recalled that Soviet Union's concrete proposals have always encountered an impenetrable wall, giving as an example several issues raised by the USSR in March. The American side, however, simply avoided answering the proposals, he said. It was the same also in June when the USSR proposed an agreement on averting the militarization of outer space.

If the U.S. President's statement on U.S. readiness for talks is not a mere tactical move, the Soviet Union will reply to it. It has always been prepared for meaningful talks and is ready to start talks aimed at concluding an agreement on averting the militarization of outer space. The Soviet proposal for nuclear powers to freeze all nuclear weapons they own both as regards quality and quantity also still holds, Konstantin Chernenko said, and added that the working out of an agreement on a complete and general ban on nuclear tests can be finished.

The Soviet leader said that the USSR many a time called on Washington to follow its example and pledge not to be the first to use nuclear weapons, always with a negative reply.

Asked if there had been a shift towards better relations between the USSR and the U.S., Konstantin Chernenko said that unfortunately so far there has been no ground to speak of such a shift in Soviet-U.S. relations as a fact. The solution of the earlier mentioned problems would help to bring it about.

He expressed the conviction that there is no sound alternative to a constructive development of Soviet-U.S. relations. The two countries have different social systems, different world outlooks. These differences do not exclude, on the contrary, they require the two sides to seek mutual understanding.

He said the USSR wants good relations with the USA. Experience proves that such relations are feasible. This requires the desire on both sides to build these relations on the basis of equality, to the benefit of the two countries and peace in the world, Konstantin Chernenko said.

BEER PRICE, BENEFIT INCREASES ANNOUNCED, VIEWED

Federal Ministry Announcement

AU151742 Prague RUDE PRAVO in Czech 13 Oct 84 p 2

[CTK report: "Price, Social, and Wage Measures Adopted by the CSSR Government"]

[Text] Prague, 12 Oct (CTK) -- The Federal Price Office and the Federal Ministry of Labor and Social Affairs announce that the CSSR Government has adopted the following price, social, and wage measures:

II.

To regulate beer consumption and to secure trouble-free supplies of nonalcoholic beverages to the internal market, it has been decided to raise their retail prices.

As of 15 October, the price of beer (per half-liter of bottled beer in the retail trade network) is being adjusted as follows:

| | Increase in Kcs |
|---|---|
| 7-grade beer | 0.30 |
| 8-grade regular beer | 0.50 |
| 8-grade Prazdroj [brand name] beer | 0.60 |
| 10-grade beer | 0.80 |
| 11-grade beer | 0.70 |
| 12-grade regular beers | 1.20 |
| 12-grade Budvar, Golden Pheasant, and Prazdroj [export] beer | 2.40 |
| 8-grade beer for diabetics | 0.50 |
| 10-grade beer for diabetics | 0.70 |
| Pito [brand name; beer without alcoholic content] | 0.50 |

Prices of the following nonalcoholic beverages are being raised as of the same date:

Soft Drinks

| | Increase in Kcs |
|---|---|
| Pomo Dia Citron (0.33 liter) | 0.40 |
| Lemonade (0.33 liter) | 0.60 |
| Vinea (0.25 liter) | 0.70 |
| Coca-Cola (0.25 liter) | 0.20 |
| Pepsi-Cola (0.25 liter) | 0.90 |
| Raspberry-flavor carbonated drink (0.33 liter) | 1.80 |
| Chito-tonic (sold in nonreturnable 0.25 liter bottles) | 0.10 |

Fruit Juices

| | |
|---|---|
| Orange juice (in 0.43-kg cans) | 2.60 |
| Apple juice (in 0.43-kg cans) | 2.60 |

Mineral Water

| | |
|---|---|
| Bilina carbonated mineral water (0.7 liter) | 0.30 |
| Mattoni's carbonated mineral water (0.7 liter) | 0.90 |
| Excelsior syrup-flavored mineral water (0.7 liter) | 1.00 |
| Soda water (0.33 liter) | 0.45 |

Syrups

| | |
|---|---|
| Forest Berry Mixture (0.9 kg) | 5.00 |
| Garden Fruit Mixture (0.9 kg) | 5.00 |
| Strawberry (0.9 kg) | 8.00 |
| Apple (0.9 kg) | 3.00 |

(Only examples of price adjustments for individual types of beer and nonalcoholic beverages are cited.)

The new prices of beer and nonalcoholic beverages are being reflected in the prices at public catering places and restaurants, including factory canteens and buffets. The surcharges in restaurants according to individual price categories as well as surcharges approved by federal agencies and national committees for designated facilities are being retained.

The retail prices of cider, powdered instant drinks, and soda-syphon cartridges and their recharging remain unchanged.

Along with the adjustment of retail prices, measures have been adopted to increase the effectiveness of the control of the adherence to the set quality, quantity, correct preparation of beverages, and their prices in retail shops and public catering facilities. Simultaneously, the task has been set to develop the production, expand the variety, and improve the quality [of beer and nonalcoholic beverages].

II.

In harmony with the possibilities of the national economy, the CSSR Government has decided to increase as of 1 January 1985:

child allowances (including benefits paid to old-age pension recipients bringing up children) by Kcs240 per year and child;

the upper ceiling of allowances for the nutrition of children in families that are in a temporarily unfavorable economic situation, by Kcs200 a month (to up to Kcs600 for children up to 10 years old and up to Kcs700 for children above 10);

the sum for reimbursing the cost of meeting the needs of children in foster care by Kcs100 a month (to up to Kcs750 for children up to 10 years old and Kcs850 for children above 10); remuneration of the foster parent is being increased by Kcs100, to Kcs300;

the income of old-age pensioners whose pensions were granted prior to the end of 1970. Old-age and disabled pensions are being increased by Kcs70 a month; widows' pensions by Kcs42 a month; pensions of partially disabled persons and full orphans by Kcs35 a month; and the pensions for children with only one parent by Kcs21 a month; lowest pensions that are the only source of income, from Kcs880 to Kcs950 a month for individuals and from Kcs1,500 to Kcs1,600 to married couples;

some low pensions of participants in antifascist resistance and their dependents.

After the expiration of paid maternity leave, a maternal benefit of Kcs600 a month is being introduced for mothers bringing up their first child, to be paid until the child reaches 1 year of age. The same benefit is being introduced for nonworking widows taking care of at least one child under the age of 3, to be added to the widow's pension.

In the area of sick pay, the upper limit of net daily pay is being raised from Kcs120 to Kcs150.

The basic leave of absence is being increased from 2 to 3 weeks. This measure applies, above all, to young employees in the 18-23 age bracket.

The CSSR Government has submitted to the CSSR Federal Assembly for discussion proposals for the necessary adjustments in cases requiring a legislative change.

In the area of remuneration for work, wage measures will be effected in education, health care, at risk-prone workplace of the research and development base, and in designated professions of some branches of material production.

In the interest of enhancing material incentives, quality, and efficiency, wage measures are being adopted for designated workers professions and highly efficient workers in the preproduction stages of the electrotechnical industry; and for workers and plat technicians separated from their families engaged in building and technological assembly work at major construction sites. In the food industry, wage incentives will be improved for those working under particularly impaired conditions.

The basic pay will be raised for teachers of basic schools and tutors in possession of the requisite university degrees; the wage situation of young teachers at all types of basic and secondary schools will be improved; the salaries of assistants and lecturers at universities will go up; and individual components of the wage system for pedagogical workers will be adjusted and simplified.

In health care, wage adjustments concern factory doctors and their nurses, doctors on medical arbitration boards, and specialists in outpatient services with many years of experience. The incomes of efficient middle-level health care employees; physicians and nurses working at unattractive, difficult, and risk-prone workplaces; health officers; diabetes specialists; and ophthalmologists will go up in a differentiated fashion.

In the institutions of social care, the wage conditions will improve for designated groups of medical employees and educators. Work at workplaces of the research and development base that takes place under impaired conditions and in an environment that is detrimental to health will receive preferential treatment. The same is true of similar workplaces in budgetary and contributory [rozpoctove a prispevkove] organizations.

## Minister on Rise in Beer Price

AU151812 Prague RUDE PRAVO in Czech 13 Oct 84 p 2

[Interview with Michal Sabolcik, minister in charge of the Federal Price Office, by unidentified RUDE PRAVO and CTK correspondents "in connection with the publication of a report on an increase in the retail prices of beer and nonalcoholic beverages"; date and place of the interview not given]

[Text] [CTK, RUDE PRAVO] Comrade Minister: What were the main reasons that led to the decision to increase the retail price of beer?

[Sabolcik] There are several reasons. In the last few years, beer consumption has been growing at a disproportionate rate in the CSSR, reaching 148 liters a year per capita, including children. The true consumption for every adult is thus substantially higher. The rapid growth of beer consumption has been causing steadily increasing problems in its production. For a long time, capacities have been overburdened in virtually all links of beer production. This has been adversely reflected in the quality of beer.

Despite the reconstruction of a number of breweries and putting into operation eight new breweries, difficulties and breakdowns in meeting the demand for beer continued, especially in the summer.

Recently, beer consumption has been increasingly oriented toward higher-grade types of beer, which are substantially more demanding in terms of raw materials. Simultaneously, the cost of producing beer has been growing at a rapid rate as a result of the growing prices of agricultural raw materials and energy. The distribution costs have increased as well, owing to the higher price of diesel oil. On the other hand, the price of beer has remained unchanged for 18 years, since 1966. Within this period, total personal earnings have considerably increased. In the last 12 years alone (between 1971 and 1983), they increased by approximately Kcs155 billion, that is, by almost two-thirds.

Finally, one cannot disregard the negative effect on health and the negative social consequences of the excessively high consumption of beer. This, too, was a reason for taking steps to increase its retail price. The aim was to regulate demand for this beverage in harmony with the production possibilities and, at the same time, to create prerequisites for gradually improving its quality.

[CTK, RUDE PRAVO] And what were the reasons for raising the retail prices of nonalcoholic beverages?

[Sabolcik] The price adjustments pursue the aim of ensuring trouble-free supplies, even at times of increased demand, and of reducing excessive subsidies from the state budget. The cost of producing nonalcoholic beverages considerably exceeded the currently valid retail prices, which had to be subsidized by a sum of Kcs1.5 billion a year. For example, a bottle of the Forest Berry Mixture syrup (0.9 kg), sold at Kcs5, was subsidized by Kcs10 from the state budget. Even the price adjustments that are now being effected do not ensure that the retail prices fully cover production costs. Even the adjusted prices of nonalcoholic beverages -- especially the price of syrup, fruit juice, and medicinal mineral water -- will have to be subsidized. The subsidy for cider, syrups, and medicinal mineral water, for example, will still amount to Kcs100 million a year.

I would also like to say that a program for expanding the production of nonalcoholic beverages and improving their selection is at the preparations stage. Measures are being taken to ensure the necessary raw materials for this production. Prerequisites for a substantial improvement in supplies to our market are thus being established.

The price of cider remains unchanged and production is prepared to gradually increase its output; also the prices of powdered instant drinks and of soda-syphon cartridges and their recharging remain unchanged. As far as the consumption of nonalcoholic beverages by children is concerned, the increased costs are offset by an increase in child allowances.

[CTK, RUDE PRAVO] Conjecture about some additional adjustments of retail prices has appeared in some places recently....

[Sabolcik] We have noticed such voices, concerning flour, sugar, and so forth. However, this conjecture was completely unfounded. The bulk purchases that occurred at some places were useless and unfounded.

I would like to say with regard to retail prices that they have, and will continue to have, their social aspects. That is why our state subsidizes the retail prices of goods meeting the basic needs of life by a sum of Kcs52 billion annually, of which subsidies for foodstuffs alone represent Kcs34 billion.

Milk and dairy products are being subsidized by more than Kcs12 billion a year. Generally, one can say that a purchase of Kcs100 worth of foodstuffs is subsidized by an average of Kcs23. This is certainly no small sum. Everyone should realize this to prevent the waste of food, which continues to be subsidized from the state budget.

[CTK, RUDE PRAVO] Could you compare the development of personal earnings and retail prices from a long-term viewpoint?

[Sabolcik] Total living standards are affected not only by earnings and retail prices, but also, and very significantly so, by social consumption. At present, social consumption amounts to more than Kcs10,000 per capita and year. Social consumption is made up, chiefly, by expenditures for health care, education, and culture. A number of important needs of citizens are met free of charge, although in most countries of the world it is necessary to pay handsome sums for them.

In 1971 total personal earnings amounted to Kcs239 billion; last year, they amounted to as much as Kcs394 billion. Wages of employees in the state and cooperative sector accounted for 70 percent of this sum; social payments for 20 percent; and other revenues for the remaining 10 percent. In the aforementioned period of 12 years, between 1971 and 1983, total personal earnings (excluding social consumption) thus increased 65 percent. Retail prices, on the other hand, increased 19.5 percent over those 12 years. From this it clearly follows that total personal earnings are growing three times faster than retail prices. The more rapid increase of earnings than that of prices demonstrates that, despite a number of difficulties and problems, the resolution of the 16th party congress to maintain and improve living standards and to enhance social security is being consistently implemented. However, it is necessary constantly to bear in mind that the further growth of living standards requires that we contribute to it everywhere by means of good, quality work and utmost economy.

## Boda Explains Social Measures

AU161454 Prague RUDE PRAVO in Czech 13 Oct 84 p 2

[Interview with Miloslav Boda, CSSR minister of labor and social affairs, by unidentified RUDE PRAVO and CTK correspondents "in connection with the publication of a report on some measures in social policy and remuneration"; date and place of interview not given]

[Text] [CTK, RUDE PRAVO] The CSSR Government has adopted proposals for increasing social payments and wages of the population. What has prompted the adoption of these proposals?

[Boda] The economic policy of the CPCZ and our socialist state consistently implements the task stipulated by the 16th CPCZ Congress -- to maintain and, in accordance with the created economic possibilities, gradually improve the living standards of the population and to enhance its social security. The proposed adjustments represent an important step in implementing this policy. In one way or another, they concern a total of 9 million citizens -- working people, pensioners, and families with children. The CSSR Government has already submitted to the Federal Assembly for discussion the necessary proposals for legislative amendments so that the social measures can become effective on 1 January 1985.

[CTK, RUDE PRAVO] Can you tell us what the main changes are with regard to pensions?

[Boda] We want to deal, above all, with the situation of the oldest pensioners, whose old-age pensions are lower than those being granted presently.

That is why all old-age and disabled pensions granted prior to the end of 1970 will be increased by Kcs70 a month. Widows', orphans', and others' pensions derived from them will be raised proportionately.

Another important adjustment -- it concerns both currently paid and newly granted pensions -- is an increase in the lowest pensions that are the only source of income. Although these pensions have been adjusted several times in the last few years, we regard as important the creation of conditions for improving the situation of the recipients of these pensions. That is why the minimum old-age pension of individuals will be raised from Kcs880 to Kcs950 and that of couples from Kcs1,500 to Kcs1,600. As has been the case heretofore, in justified cases the national committees may grant supplementary care allowances. The resources in the national committees' budgets earmarked for these purposes will be further increased.

In connection with the aforementioned adjustments, the old-age pensions of participants in the antifascist resistance will be raised correspondingly.

All measures with regard to pensions thus apply, above all, to the lowest income groups of pensioners. Almost Kcs1 billion will be spent on the adjustment of their pensions; the situation of 1.2 million pensioners' lives will thus improve.

[CTK, RUDE PRAVO] What changes will be effected in the area of health insurance?

[Boda] These measures, too, are important; they are connected with the general improvement of the social and health care accorded to the working people. The upper limit of the net daily wage that is used as a basis for calculating sick pay, allowances for those taking care of a sick family member, and maternity benefits will be raised from Kcs120 to Kcs150. This will improve the ratio between sick pay and regular earnings, especially for numerous categories of skilled workers in the decisive branches of the national economy, and for other working people as well. On the other hand, we expect enterprises and organizations to adopt appropriate measures to further improve the conditions of work and the working environment, observe work safety regulations, and prevent the misuse and wasteful use of the sick pay funds.

This adjustment, which will increase sick pay for 2.5 million working people, will require additional annual expenditures of Kcs440 million.

[CTK, RUDE PRAVO] What adjustments will be carried out for the benefit of families with children?

[Boda] We continue to purposefully promote population growth. Child allowances, including benefits paid to old-age pensioners bringing up children, already represent the most important form of social assistance to families with children; they effectively help to cover a part of the costs connected with their upbringing. In 1983, a total of Kcs16.4 billion was spent on child allowances for 4.5 million children and the expenditures this year will not be any lower. All in all, our society contributes from the state budget, in the form of monetary allocations, almost Kcs5,000 a year for every child that is not provided for [nezaopatrene dite]. The existing child allowances, including benefits paid to old-age pensioners who bring up children, will be raised by Kcs240 per child per year. This means that the monthly child allowance for one child will amount to Kcs200; for two children, Kcs650; for three children Kcs1210; for four children, Kcs1720; and for every additional child, an additional Kcs350. The adjustment will increase the volume of monetary resources granted for this form of social assistance by almost Kcs1.1 billion a year.

[CTK, RUDE PRAVO] Are any new measures being introduced?

[Boda] Yes. The care for families with children who are not provided for is being expanded in a significant way. The eligibility for a maternity allowance of Kcs600 is being newly introduced for mothers taking care of only one child, to be paid until the child reaches 1 year of age. This allowance will be granted at the mother's request, upon termination of the 26 weeks of paid maternity leave. This measure will contribute to improving, in particular, the financial situation of the youngest families, making it possible for mothers to devote themselves fully over a longer period of time to the care of their first-born children.

In the case of second, and all additional, children, mothers will continue to receive the maternity allowance until the child reaches 2 years of age as heretofore.

At the same time, a number of partial measures are being adopted to improve the social situation of low income families with children who are unprovided for; these families will qualify for additional allocations rendered to them by the national committees. The material situation of children in foster parent care is also being improved.

[CTK, RUDE PRAVO] Comrade Minister: The CTK report reveals that the change also concerns the calculations of basic annual leave.

[Boda] Aside from measures in the area of social security, an important adjustment has also been proposed concerning the calculation of the basic leave of absence, which also has an important social aspect. Basic annual leave is being extended from 2 to 3 calendar weeks. So far, an employee was entitled to 3 weeks of annual leave only after having spent 5 years working after the age of 18. From now on, he will be granted 3 weeks of annual leave immediately after starting his first job. The extension of annual leave concerns some 560,000 employees, mostly young people in the 18-23 age bracket.

[CTK, RUDE PRAVO] Which groups of professions and which branches will be affected by new wage measures?

[Boda] In the interest of gradually implementing the party's programmatic targets in socioeconomic development, the adopted wage measures improve the incomes of designated employees of some production branches, education, and health care.

The aim in the sphere of production is to establish more favorable conditions for a comprehensive fulfillment of the goals of the Program for Enhancing the Economic Effectiveness of the Wage System and to promote thrift, quality, and efficiency in important sectors of the national economy. To be specific, we want to increase the material incentives for designated workers professions and highly efficient employees of the preproduction stages in the electrotechnical industry. This industry must ensure the development of electronics and microelectronis, branches playing a key role in safeguarding scientific and technological research and the innovation of production assets and consumer goods.

To facilitate the fulfillment of tasks at major investment projects -- for example, at places of concentrated construction and in building nuclear power plants -- we will reinforce the incentive segment of the wages of construction workers and assembly workers and plant technicians assigned to work outside their enterprise, if they are separated from their families over long periods of time.

This should contribute to ensuring the necessary number of workers in the construction and engineering professions, and to their stabilization at projects that are of crucial importance for the development of the national economy.

We also envisage wage measures for some especially demanding sectors of the food industry.

As far as the nonproduction sphere is concerned, our aim is to appreciate the exacting and socially significant work of very important categories of specialists working in education and health care. In the sphere of education, the adjustment of earnings will concern teachers of basic schools; teachers of secondary schools, including secondary vocational schools; and university assistants. The adjustment establishes favorable conditions for an efficient deployment of specialists at various types of schools. It also pursues the aim of promoting the interest of male teachers in working at basic schools.

In health care the implemented wage measures will benefit factory doctors and their nurses, doctors on medical arbitration boards, and experienced specialists with many years of practice in outpatient services. We also foresee a differentiated wage increase for efficient and reliable middle-level medical staff; an improvement of the materia! situation of doctors and nurses working at unattractive, difficult, and risk-prone workplaces; and improved remuneratior of health officers, diabetes specialists, and ophthalmologists. In the institutions of social care as well, wage conditions are being improved for designated groups of employees. Furthermore, preferential treatment will be accorded to work under impaired conditions and in an environment that is detrimental to health at workplaces of the research and development base.

The wage improvements will either take the form of an increase in the basic salary or the form of a reinforcement of the incentive segment of wages. In closing, I would like to stress that in all branches of the national economy it is necessary to see to the consistent observance of the merit-in-remuneration principle.

COMMENTARY ON END OF STOCKHOLM TALKS

LD170956 Prague International Service in Czech and Slovak 2230 GMT 15 Oct 84

[Text] The third round of the Conference on Confidence-Building Measures and Security and Disarmament in Europe ended in Stockholm at the end of last week without achieving any apparent results. We shall discuss in the following commentary the conference deliberations and the overall atmospher in which it has taken place:

When representatives of 33 European countries and the United States and Canada gathered in Stockholm in January this year to discuss such important issue as security and the restoration of confidence in Europe, undoubtedly the Western countries, above all the United States, pretended as if everything was in order now, not only in Europe but in the world at large. The fact that new U.S. missiles had been deployed in Western Europe almost on the eve of the opening of the conference, and that the Soviet-American talks had collapsed in Geneva because of this fact, was somewhat pushed into the background. A new play was to have begun on the Stockholm stage with (?words) about establishing confidence-building measures. As performed by actors from NATO states, these measures meant only one thing: an open door for espionage in the socialist countries. The Western participants in the Stockholm conference failed to react to the proposal that both groupings -- both NATO and the Warsaw Pact states -- pledge themselves never to use force against each other and that the nuclear superpowers renounce the possibility of being the first to mount a nuclear attack.

This is why the head of the Soviet delegation in Stockholm, Ambassador Oleg Grinevskiy, had to state when assessing the course of the Stockholm conference to date that it was at a standstill.

However, time itself is not at a standstill. The wheels of the arms buildup are spinning at an ever-growing pace. They were given another impulse by the 2-day session of the defense ministers of the 14 NATO countries. The ministers, as members of the so-called Nuclear Planning Group, met in the Italian town of Stresa at the end of last week and discussed in essence one sole fact: The pace of the deployment of U.S. missiles in Western Europe must not abate. Naturally, work must also proceed on auxiliary tasks, such as the creation of the relevant military infrastracture. This does not involve merely further ammunition stores.

The ministers talked about a new White House initiative, which envisages an anti-missile defense system similar to one that the United States itself is preparing to build in Western Europe.

Thus the Italian town of Stresa completes the picture of what purpose Stockholm is to serve in the NATO conception of things. It is to serve as a peace mask, concealing the dangerous consequences of the deployment of missiles, the dangerous consequences of the militarization of space. Under the guise of Stockholm, Washington is succeeding well in declaring its willingness to engage in a dialogue and its striving for peace.

In view of the contradictions between peace-loving words and military actions taken by the NATO countries, it is on the whole understandable that the Soviet Union should have taken appropriate defense measures. At the close of the past week, the Soviet Ministry of Defense announced that tests have been carried out successfully involving cruise missiles launched from the ground and that the Soviet Armed Forces have begun to deploy these long-range missiles on strategic bombers and submarines. Although the official reaction has yet to come from Brussels, NATO military experts have not shown any surprise over this step. They could hardly do so. Since -- and way before -- the deployment of the new U.S. missiles in Western Europe, the Soviet Union has pointed out on many occasions that will give an equal reply to the measures taken by the American Government and that it will never permit the military balance to be upset. Military experts both in Brussels and Washington were well aware of this but they nevertheless have not retreated from their plans to upset this balance.

Let us note: Washington first deployed missiles and began further militarization of space, and only afterward it declared its willingness to engage in talks. At the same time, the program for further missiles and further arms buildup continues. Tje Soviet position is the opposite one. The Soviet Union has been ready to engage in talks before the balance was raised to a new and naturally higher level. Therefore the world is not any more secure and confidence is no better.

## HAVLIN, CPCZ DELEGATION PAY VISIT TO FRANCE

LD171219 Prague Domestic Service in Czech and Slovak 1600 GMT 16 Oct 84

[Text] At the invitation of PCF Central Committee, a delegation of the CPCZ Central Committee led by Josef Havlin, secretary of the party Central Committee, is paying a working visit to France. Our correspondent Frantisek Tuhy reports:

The CPCZ Central Committee delegation is now in Lyon, France's third largest city. There, too, they are aware of the friendly and comradely atmosphere which has been accompanying the members of our party delegation since their arrival in France on Sunday. The cordial atmosphere, respecting the need to understand the other side's views, predominated yesterday in Paris at the PCF Central Committee headquarters where our delegation was received by the members of the Political Bureau, party secretaries Maxime Gremetz and Gaston Plisonnier. The two sides assessed the current world situation, and exchanged views on the most pressing issue of our times, preservation of world peace.

The French comrades condemned the dangerous and hazardous policy of the feverish armament which the United States is trying to force on the world and which is supported also by the present French Government. The members of our party delegation informed their hosts about the peace efforts of the socialist community, illustrated with concrete examples of how we are fighting to avert a new war catastrophe in Czechoslovakia.

The Czechoslovak party delegation's working visit to France will continue in the next few days by a further exchange of views in the fields of education, culture, and scientific research. They will also deal with the issue of further expanding cooperation between the two fraternal countries.

CHAN SI, DELEGATION CONCLUDE 6-DAY VISIT

Radio Interviews Chan Si

LD172019 Prague Domestic Service in Czech 1730 GMT 16 Oct 84

[Text] Chan Si, head of the PRK delegation, member of the Kampuchean People's Revolutionary Party [KPRP] Central Committee Pplitburo, and chairman of the PRK Council of Ministers, has given an interview to Czechoslovak radio at the close of official talks between the party and government delegations of the CSSR and the PRK in Prague. When asked what cooperation with Czechoslovakia means for the PRK and how he assesses the results of his visit, Comrade Chan Si said:

[Begin Chan Si recording in Cambodian fading into translation] The CSSR is one of our prominent partners. This has again been confirmed during our visit. Our country has been liberated only recently. We have to overcome a number of obstacles and difficulties which were caused by the Pol Pot regime. You all know well that our revolutionary struggle is still continuing. The consequences of the Pol Pot rage, of which millions of Kampucheans were the victims, the enormous economic damage, and the terrorist raids of the Pol Pot gangs are a tragic heritage for our country and our peoples. It will take years and enormous effort by the whole of Kampuchea to do away with it. Therefore, we praise the more the international support that your party and government provide to us. We also assess our visit to your lovely country in this same light. Everywhere we have been received with real friendliness by your working people. We have seen that the Czechoslovak people are truly sympathetic to our badly tried country. This was also confirmed in the talks with the supreme Czechoslovak representatives, Comrade Gustav Husak and Lubomir Strougal. Comrade Husak has personally assured me of your country's support. Comrade Lubomir Strougal, with whom we held talks about other forms of cooperation between our countries, did the same.

The trade agreement for 1985 which was concluded here in Prague represents for us another important step within the framework of strengthening cooperation.

The same is true of the credit that your country has provided to us. This will make it possible for us to reconstruct the economic base of our country with the help of experts and enterprises from the CSSR. In this connection I would like to mention the work of Czechoslovak experts in Kampuchea. The CSSR has become for our people something real. Let me mention the selfless work of your physicians and specialists who have taken part in the reconstruction of our health care. With the same selflessness, other experts from Czechoslovakia have been working in difficult weather conditions: for example, in the reconstruction of our enterprises, primarily electric power stations and several engineering enterprises. Mutual trade is also of great importance. [Passage indistinct]

In conclusion I would like to express my appreciation again for the warm and friendly welcome we received in your country. [end recording]

Chan Si, Delegation Depart

LD171945 Prague CTK in English 1831 GMT 16 Oct 84

[Text] Prague Oct 16 (CTK) -- The Kampuchean delegation led by Chan Si, People's Revolutionary Party Politburo member and premier left for home today after a six-day official friendly visit to Czechoslovakia. The guests were seen off at Prague airport by Czechoslovak Communist Party Presidium members -- Premier Lubomir Strougal and Josef Korcak and other officials.

Send Thanks to Leaders

LD171956 Prague Domestic Service in Czech 1930 GMT 16 Oct 84

[Text] Chan Si, head of the PRK delegation, sent from his plane a telegram of thanks to the supreme party and state representatives of the CSSR for the hospitality and warm reception afforded to the members of the delegation during the visit. The telegram wishes many successes to the Czechoslovak peoples in the building of the advanced socialist society.

TRADE UNIONISTS MARK PODBREZOVA ANNIVERSARY

Hoffmann Warns of Imperialism

AUL61522 Bratislava PRAVDA in Slovak 15 Oct 84 pp 1,3

["From the speech by Karel Hoffmann, member of the Presidium of the CPCZ Central Committee and chairman of the Central Trade Union Council, delivered at a gala gathering marking the 40th anniversary of the Podbrezova conference of enterprise committees and shop stewards, in Podbrezova on 13 October"]

[Excerpt] Comrades, the legacy of Podbrezova conference obliges us to categorically safeguard peace and thus save what is most valuable -- the lives of the working people. Forty years ago, delegates to the Podbrezova conference returned from their meetings to their worksites and their comrades in the insurgents' lines with the wish that the war, unleashed by German fascism, end as soon as possible and that it be the last war ever.

In the current weeks and months, in light of the extreme aggravation of the international situation, the peace message of the national liberation struggle appeals to us with exceptional urgency. Through the fault of the most reactionary circles of world imperialism, which are feverishly arming, producing and deploying the most destructive weapons throughout the globe, and through the fault of the irresponsible expansionist policy of the U.S. Administration, the world finds itself on the very verge of a nuclear conflict, threatening to wipe out human civilization.

The policy of the arms buildup, of the aggressive war preparations, is accompanied by an intensive anti-Soviet and anti-communist campaign, by an attempt to weaken and disturb the unity of the socialist community, and their cooperation with other progressive countries.

History has proved many times over how lamentably all the crusades against communism have ended to date. That, however, does not mean that we can disregard the drive of imperialism, particularly American imperialism. Facts prove that imperialism is actually preparing a nuclear attack, and that in circumstances that are favorable for it to carry out its plans, if it were certain that it possessed military superiority and would escape retaliation, it would not hesitate to launch that attack. In no case can we permit the existing military equilibrium in the world to be upset, or the United States and the other NATO countries to achieve military superiority over the USSR and the Warsaw Pact countries. Forces oriented toward war must be aware that they would suffer a destructive retaliatory strike. Therefore the Revolutionary Trade Union Movement supported the decision of the USSR, CSSR, and the GDR Governments that our defense capability be strengthened in the interest of maintaining the military equilibrium and ensuring the peace in Europe, and the appropriate measures connected with it.

We express full support for all the proposals and initiatives that the representatives of the Soviet Union and its allies have regularly put forward in the interest of peace on earth. Millions of members of the Revolutionary Trade Union Movement and of the Czechoslovak working people fully support the peace policy by their attitudes and concrete deeds.

## Calls for Worker Unity

AU161515 Bratislava PRAVDA in Slovak 15 Oct 84 pp 1, 3

["From" the speech by Jozef Lenart, member of the Presidium of the CPCZ Central Committee and first secretary of the CPSL Central Committee, delivered at a gala gathering marking the 40th anniversary of the Podbrezova conference of enterprise committees and shop stewards, in Podbrezova on 13 October]

[Excerpt] Comrades: The experience acquired in the course of building socialism in our country and the lesson we have learned from the crisis period, which is permanently expressed in the forever-valid "Lesson" document, leads us to the conclusion that the Revolutionary Trade Union Movement [ROH] could successfully fulfill its mission because it was and is a close comrade-in-combat and an effective helper of the CPCZ -- the revolutionary vanguard of the workers class. The ROH identifies itself with the party policy not as a consequence of a dictate or order, as our class enemies demagogically assert, but out of profound conviction about the correctness of that policy, which proceeds from the awareness of objective social laws and expresses the most intrinsic interests of the working people. This is why it exerts its energy for its realization, and persuades, wins, and mobilizes the broad masses for its implementation in the economy and other fields. I would like to stress once again that our party, which loyally serves the people, highly values this trust and support, and that it values the meritorious and indispensable work of trade unions. This experience also leads us to recognize the necessity of systematically reinforcing the unity of the workers class and all working people, as expressed in the unity of the ROH. From the distant past, as well as the recent past, we know how the class enemies were, still are, and will in the future strive to smash and undo the unity of the working people -- their great historical accomplishment and the guarantee of successful advancement.

They were and are trying to do that by disturbing the unity of the revolutionary trade unions under the mantle of false slogans about the so-called independence of trade unions from the revolutionary party, about their apolitical nature, and so forth. In the crisis period, our people learned where this led, how this served the counterrevolution and placed in jeopardy the socialist accomplishments in our country and in other socialist countries. One must always keep this in mind, always return to it, and behave in the same sense of the "Lesson From the Crisis Development." In the spirit of the revolutionary legacy of the Podbrezova conference, in the spirit of the great experience acquired in the course of building socialism, the workers class and the other working people must safeguard and further reinforce their unity, the unity of the trade union ranks, and in the interest of their creative activity close their ranks even more tightly around the CPCZ -- the leading force of society.

Comrades, permit me to recall that it was also the Podbrezova conference that, together with all fighting people, professed allegiance to and unequivocally endorsed the firm alliance of our new republic with the Soviet Union. We have also fulfilled this sacred legacy, and are developing it further in our work and in our entire lives.

We realize now, as we did 40 years ago, that only in alliance with the Soviet Union could we have achieved freedom, and only thanks to its example, its assistance, and our cooperation have we achieved successes in socialist construction. Today, only by means of a common course, with the closest bonds to the Soviet Union and with the economic integration of our countries, can we accelerate the intensification of the economy, gain in the field of work productivity, and build a developed socialist society. For this reason we also warmly welcomed the results of the economic summit of the CEMA member-countries; we have to concentrate our efforts on a comprehensive deepening of specialization and cooperation with the Soviet Union and the other socialist countries, in the key directions of scientific-technological progress.

We are also convinced that our ROH, and its agencies and organizations, will bring their influence to bear on the elaboration and realization of these programs, that in the interest of this they will make even more fruitful use of the partnership between enterprises, research institutes, and other agencies in order that our joint efforts produce concrete deeds and tangible results.

The international legacy of the Podbrezova conference is alive and becoming increasingly fuller. Our workers and working people demonstrate their internationalism by their warm support for the class struggles of the working people in the West European countries, and for the nations fighting for national independence. The exceptionally strained international situation -- as Comrade Chernenko re-emphasized not so long ago -- requires that we fight actively and purposefully against the nuclear threat. Being aware of this, we fully support the peace proposals of the Soviet Union, submitted to the UN General Assembly by Comrade Gromyko, proposals aimed at halting the spiral of the arms buildup, preventing war in outer space, condemning state terrorism, and restoring normal relations of coexistence among states.

Comrades, we are convinced that when trade union officials and the rank-and-file trade unionists display their will and determination to win the broad masses for better and more efficient work, when we continue to improve management, remunerate according to merit, and when we make even better use of the great advantages of socialism, we will further enhance our socialist fatherland, and its economic strength and authority. We are convinced that in this way we will increase our contribution to averting a nuclear catastrophe, to strengthening the socialist community -- the mighty bastion of peace.

HONECKER, DELEGATION CONTINUE VISIT TO FINLAND

Honecker Awards Koivisto

LD171101 East Berlin ADN International Service in German 1559 GMT 16 Oct 84

[Text] Helsinki, 16 Oct (ADN) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, presented the Order of the Grand Star of International Friendship to Finnish President Dr Mauno Koivisto in recognition of his consistent work for peace and security, for a policy of detente, and for constructive cooperation between states with differing social orders.

Erich Honecker said the following to the Finnish president: "I have pleasure in presenting to you today the Order of the Grand Star of International Friendship. We thus honor honor your consistent work for the steady continuation of the course of Finnish foreign policy, the Paasikivi-Kekkonen line, which has been stable for decades. It is directed at preserving peace and security in the world and helping to establish a policy of detente and constructive cooperation in international relations between states with differing social orders.

"This policy of Finland is recognized worldwide and is also greatly respected in the GDR. It also created favorable conditions for the development of mutually beneficial relations between the GDR and the Republic of Finland.

"I present this high award of the GDR to you, Mr President, in the secure knowledge that our two states and peoples will continue to strengthen their work for peace and detente to contribute to the improvement of the international situation. I wish you well, Mr. President, in your responsible office and best success for the benefit of the Finnish people."

Dr Mauno Koivisto cordially thanked Erich Honecker for the high award. The presentation was followed by a luncheon which the Finnish president gave in honor of the GDR State Council chairman in the palace's banqueting hall.

Honecker Meets Friendship Group

LD170955 East Berlin ADN International Service in German 1815 GMT 16 Oct 84

[Text] Helsinki, 16 Oct (ADN) -- A friendly meeting was held today in Helsinki's Kalasajatorpaa state guest house between Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and representatives of the Finnish-GDR Friendship Society. The meeting was attended by the chairman of the Finnish-GDR Society, Agricultural Counsellor Veikko Savela; Deputy Chairmen Kari Jylhae and Lennart Kivi; Finance Minister Ahti Pekkala, deputy chairman of the Center Party; Diet deputies Sakari Knuuttila (Finnish Social Democratic Party) and Heli Astala (Finnish People's Democratic League); Appeal Court Justice Juuso Haikio (National Coalition Party); and Olavi Salmi, secretary general of the society.

In a short address, Agricultural Counsellor Veikko Savela expressed the great satisfaction of the members and friends of the society about the visit, which is a reflection of the stable, many-sided, and trusting relations between the two states.

Veikko Savela reported on the society's activities, which take place this year against the background of the GDR's 35th anniversary. People are therefore especially pleased about the state visit at this time. He then handed Erich Honecker a greetings address that praises the importance of the GDR's foreign policy for preserving peace on the European Continent. On behalf of the representatives of the society who were present, he wished the GDR further successes in striving for the common aims of peace, international understanding, and cooperation.

Erich Honecker thanked the Finnish friends for their work in the interests of cooperation between the two states and peoples. The society has won great respect, which is expressed by the active participation of well-known public figures of political, state, and social life. It is also a credit to the society that exemplary cooperation should exist between the GDR and Finland in many areas both on a state level and a social level.

In view of the considerable worsening of the international situation, great importance is attached to the work of friendship societies in the two countries for promoting understanding and trust between the peoples, Erich Honecker said. Finland's foreign policy for preserving peace, which is rich in initiative, is well-known in the GDR. Summarizing his initial talks with President Mauno, he said identical views have emerged on many points. This will spur on the two countries in their activities for eliminating the danger of nuclear conflict and for bringing permanent peace and peaceful cooperation. The GDR sees a special obligation in doing everything to ensure that war shall never again emanate from German soil. Erich Honecker then presented a gift to the society. The meeting ended with friendly talks between the GDR representatives and representatives of the society.

## Honecker Praises Cities' Ties

LD171903 East Berlin ADN International Service in German 1333 GMT 17 Oct 84

[Excerpts] Helsinki, 17 Oct (ADN) -- The city of Helsinki gave a luncheon today in honor of Erich Honecker, the general secretary of the SED Central Committee and chairman of the GDR State Council, at which President Dr. Mauno Koivisto and Prime Minister Kalevi Sorsa were also present. City Council Chairman Harri Holkeri and Erich Honecker made speeches at the meeting, held at the banquet hall of Helsinki's classical-style city hall.

On behalf of the city of Helsinki and all its inhabitants Harri Holkeri said at the start of his toast: "I have the great honor to most warmly welcome you, Mr. Chairman of the Council of State, and your delegation, as guests of the city of Helsinki." Harri Holkeri ended his speech by saying that he was convinced that the visit would further consolidate the good relations between the two countries and capital cities. He said he hoped that the chairman of the Council of State and his delegation would feel at home in Helsinki.

In his toast Erich Honecker said that Helsinki, capital of our friendly ally, Finland, was famous throughout the world. It was rightly called the "Daughter of the Baltic." Helsinki is a city in which culture, science, and the economy play an important role. Diligent citizens live there for whom peace is a matter close to the heart, as it is for all honest people. However, Helsinki is also a synonym for detente, cooperation, and peaceful coexistence.

My first visit to your city was on the occasion of the Conference on Security and Coopertion in Europe. With the Final Act of the conference, all participating states at the same time agreed on a code for applying the principles of peaceful coexistence among states with different social orders and ceremonially sealed it with the signatures of their highest representatives. History was made during those 3 summer days.

Today certain circles want to turn this document into a worthless piece of paper. The latter must be decisively countered by those who take the "Spirit of Helsinki" seriously, said the State Council chairman. The destructive machinations started in Belgrade when the ink of Helsinki was barely dry. The GDR adheres in a correct manner to the resolutions of the Helsinki Final Act as a whole.

We concur with millions of people around the world, with the citizens of Finland and its capital, that a policy based on this important document is a dictate of common sense, stressed Erich Honecker. This has also been impressively confirmed again and again in the numerous meetings between the representatives of Berlin and Helsinki, in encounters among citizens of both countries on various occasions. Socialist Berlin is very closely allied with Helsinki. This is demonstrated partly by the fact that many historic buildings in both cities are from the Schinkel school. Many Berlin citizens who received new apartments during the past few years recognize that plants delivered by a Helsinki-based firm completed the relevant structural units.

Much else could be mentioned if one wants to provide a comprehensive picture of the diversity of relations between Berlin and Helsinki. Let us leave that to the chroniclers, said Erich Honecker in conclusion. Let us hope that the relationship between the two capitals will continue to reflect what is typical of the relations between our states and peoples: agreements, friendship, and good and mutually-beneficial cooperation. It is in this way that we best serve the ideals of peace and the interests of our citizens.

## Honecker Visits Lenin Memorial

LD171823 East Berlin ADN International Service in German 1414 GMT 17 Oct 84

[Excerpts] Helsinki, 17 Oct (ADN) -- Erich Honecker today visited the Lenin Memorial in Helsinki, where he was received most cordially. Many inhabitants from the Finnish capital greeted the high-ranking guest from the GDR. The chairman of the Finnish-Soviet Friendship Society, Martti Miettunen, and its general secretary, Erkki Kivimaaki welcomed Erich Honecker together with the director of the memorial, Timo Karvonen.

Before Erich Honecker entered the building and climbed the small, narrow stone staircase, he placed a bunch of red carnations in the vase next to the memorial plaque affixed outside. Then with interest he viewed the three small rooms in the house.

Erich Honecker praised the work of the museum and the Finnish-Soviet Friendship Society in the preservation of Lenin's legacy. He presented the museum a sculpture of Lenin by the Berlin sculptor Gerhard Thieme and a miniature edition of the first edition of "Iskra", which was printed in Leipzig.

Then Erich Honecker wrote into the guestbook: "The visit to the Lenin Memorial has given me an indication of the high regard in which the outstanding statesman is held in Finland and the loving way in which his memory is preserved. Lenin's work opened for peace-loving mankind new and hopeful perspectives. They, too, deserve gratitude who selflessly supported him in difficult times."

## Fischer Meets Counterpart

LD172041 East Berlin ADN International Service in German 1519 GMT 17 Oct 84

[Text] Helsinki, 17 Oct (ADN) -- GDR Foreign Minister Oskar Fischer met with his Finnish counterpart, Paavo Vayrynen, today in Helsinki for an exchange of political views for further development of bilateral relations. The two ministers praised the high level of relations achieved and expressed the conviction that the state visit to Finland by Erich Honecker, general secretary of the SED Centra' Committee and chairman of the GDR State Council, will further stimulate these exemplary relations between the GDR and Finland.

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LEUSCHNER VIEWS STOCKHOLM CONFERENCE DELAYS

DW170613 East Berlin Domestic Service in German 1800 GMT 15 Oct 84

[Guenter Leuschner's review of the past week's events]

[Excerpt] On Friday the third round of negotiations in Stockholm was concluded with a result that satisfies neither the GDR nor Finland, and certainly not the other socialist countries. As the Soviet delegation leader said Friday, the fact that no progress has actually been achieved in the 9 months since the conference opened in Stockholm is not only grossly at odds with actual negotiating possibilities, but also has intensified dangers and distrust in Europe by continuing the arms race over these 9 months.

Thus it can be only little consolation that some diplomats in Stockholm note that there is ample time until the fall of 1986, the time of the next CSCE follow-up meeting. However, in the final analysis, the reason there has been no progress in Stockholm so far is not a lack of time, but a lack of desire for negotiations on the part of some countries. To say the least it is very doubtful whether this will change on its own, without the energetic help of those who want success. In fact there has so far been no practical effect from the U.S. President's statement to the UN General Assembly that he would increase his efforts to achieve understanding in Stockholm as well.

After all, understanding means meeting the other side halfway, and this is especially the case when the other side is not demanding anything unreasonable, but is striving not just for talks, but for the creation of more confidence by reducing confrontation in Europe. During the 9 months of negotiations in Stockholm, neither the United States nor its allies have been able to produce any proof that nuclear-free zones in Europe, elimination of the chemical weapons, conclusion of a nonuse of force agreement, or a ban on the first use of nuclear weapons would not bring about reduced confrontation. As always the United States basically rejects these and other proposals by the socialist countries.

Even the comparatively harmless limitation of military exercises demanded by the socialist and neutral countries fails to find a positive response from NATO.

Walter Mondale, Reagan's rival for the presidency, over the weekend characterized Reagan's attitude toward questions of arms policy by saying: If there is an arms control agreement, be against it; if the Pentagon wants a blank check, sign it; and is there is a decisively important fact, ignore it. At the Stockholm conference, this is till U.S. reality after the third round of negotiations.

We should seriously consider the meaning of rejection of the proposal for a nonuse of force agreement, which has been advanced -- albeit not exclusively -- to the United States. I personally believe that unless it wishes to put itself in a dubious position, no government has the right to reject such a proposal no matter where it originates. Any government refusing to accept such a kind of nonaggression pact must be aware that in doing so it arouses the distrust of the side making the offer. This is especially true if this occurs within the framework of negotiations that are expressly aimed at building confidence. Conversely a goverment that after a period of hostility and opposition to detente intends to indicate a change could not do so any more simply or more effectively than by approving such a pact. This sign from the United States is still pending, which means that the other participants in the Stockholm conference can only increase their efforts to carry the conference beyond the point of stagnation. This will also be a topic of talks in Helsinki this week.

KROLIKOWSKI RECEIVES SWEDISH MINISTER CARLSSON

AU151640 East Berlin NEUES DEUTSCHLAND in German 13-14 Oct 84 p 2

[Excerpt] Berlin (ADN) -- On Friday Werner Krolikowski, first deputy chairman of the GDR Council of Ministers, received Roine Carlsson, minister for state enterprises [as published] of the Kingdom of Sweden, for a talk that took place in an open and constructive atmosphere. Both partners in the talks praised the positive impulses that emanated from the meeting of Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, and the Swedish Premier Olof Palme, in June this year with regard to further developing bilateral relations, and stressed the favorable development of trade and economic relations in 1984 between the two states.

PRC EDUCATION DELEGATION HOLDS TALKS IN BERLIN

AU151413 East Berlin NEUES DEUTSCHLAND in German 12 Oct 84 p 2

[Text] Berlin (ADN) -- On Thursday Guenter Heidorn, deputy minister for university and technical school affairs of the GDR, received for a talk the delegation of the PRC Ministry of Education now staying in the GDR. The delegation, headed by Li Tao, director of the main administration for international relations in the Ministry of Education, familiarized itself in detail on the development to date of the GDR university and technical school sector, and on tasks in education and advanced education. In the talk, held in a friendly atmosphere, both sides expressed their joint interest in the universal expansion of cooperation.

UK'S MCKELVEY, DELEGATION RECEIVED IN BERLIN

AU171415 East Berlin NEUES DEUTSCHLAND in German 15 Oct 84 p 2

[Text] Berlin (ADN) -- The "Labor Action for Peace" delegation from Great Britain, which is headed by its chairman, William McKelvey, and is in the GDR as a guest of the GDR Peace Council, was received this weekend by Werner Ruempel, first vice president of the GDR Peace Council, and other representatives of the GDR peace movement for a friendly exchange of views. Proceeding from the international situation, experiences on the tasks and actions of the peace movements of both countries in the struggle to end the arms race, were exchanged and concrete steps for disarmament discussed. Earlier, the group of members of the British House of Commons of the Labor Party met with Gerhard Lindner, deputy chairman of the Interparliamentarian Group of the GDR and vice president of the GDR Peace Council, in the People's Chamber building. During this constructive dialogue the partners in the talk stressed that all forces interested in peace must intensify their actions and work even more resolutely for concrete measures to secure peace. The parliamentarians, it was noted, have a high responsibility in their countries to ensure a return to the path of detente and to the policy of peaceful coexistence, for which there is no acceptable alternative.

JOACHIM HERRMANN MEETS JAPANESE CP DELEGATION

AU151818 East Berlin NEUES DEUTSCHLAND in German 12 Oct 84 p 2

[Excerpt] Berlin (ADN) -- At the conclusion of its visit in the GDR the delegation of the Communist Party of Japan headed by Fumio Yamashita, member of the Central Committee Presidium, met for a friendly talk with Joachim Herrmann, member of the Politburo and secretary of the SED Central Committee.

The Japanese guests visited social and cultural institutions in Berlin and Dresden after their participation in the ceremonies on the occasion of the 35th anniversary of the GDR.

FDJ DELEGATION 'WARNED' AT FRG BORDER 8 OCTOBER

AU171301 East Berlin NEUES DEUTSCHLAND in German 16 Oct 84 p 1

[Text] Berlin (ADN) -- As is now becoming known, on 8 October the members of an FDJ delegation visiting the FRG at the invitation of the Young Nature Friends were subjected to a harassing interrogation by the FRG border officers. The delegation was warned that the continuation of the trip would be stopped and their passports seized if they refused to answer questions unequivocally connected with the secret services practices at the FRG border. As the head of the FDJ delegation state this provocation is a renewed attempt to disturb the relations of the FDJ with FRG youth organizations.

HONECKER MESSAGE TO ATHENS LAWYERS CONGRESS

AU151842 East Berlin NEUES DEUTSCHLAND in German 12 Oct 84 p 2

[Text] Berlin (ADN) -- Erich Honecker, SED Central Committee general secretary and GDR State Council chairman, has sent the following greetings message to the 12th Congress of the International Association of Democratic Lawyers in Athens.

On the occasion of the 12th Congress of the International Association of Democratic Lawyers, I convey to you cordial greetings.

Your association that developed from the struggle of progressive lawyers against war and fascism has acted worldwide in accordance with the responsibility it has taken upon itself to put justice at the service of peace.

Your congress this year again deals with important questions of the present, above all strengthening the international action of lawyers to avert the danger of a nuclear world war and guarantee international security. The policy of confrontation escalated with the deployment of new American nuclear missiles in Western Europe, the intensive armament of the most aggressive circles of imperialism, and their striving for military-strategic superiority over the states of the socialist community threaten the international order of peace and include the danger of the nuclear catastrophe. This policy is obviously directed against the foundations of peaceful coexistence of equal sovereign states bindingly laid down in universal international law and in many international treaties; it fails to respect the elementary and inalienable rights of the peoples.

May I assure you that the GDR, in accordance with its obligation undertaken in the hour of birth of the German worker-peasant state, will also in the future actively contribute to ensure that never again will war emanate from German soil. Together with the other countries of the socialist community, and all forces of goodwill committed to securing peace, we continue our active policy of international understanding.

I wish you every success for your consultations in the spirit of your constant efforts to preserve the peaceful cooperation of the peoples.

SED CC GREETINGS TO SWISS LABOR PARTY

AU171446 East Berlin NEUES DEUTSCHLAND in German 15 Oct 84 p 1

[Text] Berlin (ND) -- The SED Central Committee has sent the following telegram signed by its general secretary, Erich Honecker, to the Central Committee of the Labor Party of Switzerland:

Dear comrades: On the occasion of the 40th anniversary of your party, the SED Central Committee conveys cordial congratulations and fraternal militant greeting from the GDR communists to you and all members of the Labor Party of Switzerland.

Fraternal relations covering many years and firm ties of internationalist solidarity exist between our parties. Together we are exerting our entire strength to avert the danger of a nuclear inferno emanating from the most aggressive circles of the United States and NATO, to secure peace, and achieve a change to disarmament and detente.

With its active work for the social interests and democratic rights of the working people, the Swiss Labor Party continues the best traditions of the revolutionary workers movement of its country.

Your contribution to deepening the friendship between the peoples of the GDR and Switzerland is highly respected here.

The SED wishes the Swiss communists every success in strengthening the party, in the struggle for peace, democracy, and social progress.

CHURCH LEADERS: WORK FOR PEACE, ENVIRONMENT

DW170609 Munich SUEDDEUTSCHE ZEITUNG in German 15 Oct 84 p 5

[Albrecht Hinze article: "GDR Church Stresses Responsibility for Peace"]

[Text] Dresden, 14 October -- Saxonian Regional Bishop Johannes Hempel, chairman of the Conference of GDR Church Leaders, has appealed to GDR Protestants not to reduce their activities for peace and the environment. Speaking at a synod of the Saxonian Lutheran Regional Church in Dresden over the weekend, Hempel warned against feelings of resignation. Kurt Domsch, president of the Saxonian Regional Church Office, supported Hempel's warning.

"Christian responsibility for peace is not just a trendy fashion," Hempel told the 80 members of the synod. For this reason, he said, it had to be continued. A lack of support from church leaders to peace groups, "critical reserve on the part of state organs toward independent church peace work," and disagreement among the peace groups were listed by Hempel as reasons for the declining commitment to peace and the increasing feelings lately of resignation. In addition, he said, people had counted on rapid success. He noted that more patience, which constitutes a "sort of strength," is required. In this connection, however, a synod member told the bishop that strength is also derived from impatience.

Hempel also admonished Protestants to exercise patience in the area of environmental protection. Radical improvements required time as well as international cooperation, he said. In this respect, he acknowledged that the state authorities had done some things and introduced some actions that were not immediately noticeable in daily life.

Domsch contradicted the view repeatedly expressed at the synod that the GDR peace movement did not achieved any success because it failed to prevent the additional deployment of missiles in East and West Germany. He said that the peace movement had, however, at least triggered a process of thinking. He recalled that the Biblical phrase "Swords into plowshares" had become a token of hope. He said that in general, the church had been a "mouthpiece" and had "expressed what many people are thinking."

The continuing difficulties in relations between the church and state were mentioned only indirectly or privately. It was acknowledged that relations between political and church leaders were developing in an orderly or even understanding manner. It was said that there repeatedly was a lack of clarity at the lower levels. Among other things, the Saxonian Church leadership's account mentioned the rejection of visits in urgent family matters and social youth work.

The church leaders sounded an alarm in connection with the condition of numerous church buildings. All of them could no longer be maintained unless more material and scaffolding were made available, it was noted. There must be a "fundamental change" in this respect. It was said that some parishes were already discouraged and their readiness to take action was declining perceptibly. It was well known that the church did not need money for construction purposes especially since "church tax" revenues were increasing.

In connection with the situation of the Protestant church in the GDR, it was also stated at the Dresden Synod that the temporarily heavy decline in the number of members was no longer as dramatic as had been the case. More adults are being baptized now, and of the estimated 9 million Protestants in the GDR, about 2 million belong to the Saxonian Regional Church. Thus, it has by far the largest number of members of the eight GDR regional churches.

PRC LEADERS THANK COUNTERPARTS FOR GREETINGS

AU111047 East Berlin NEUES DEUTSCHLAND in German 10 Oct 84 p 2

[Text] Berlin (ADN) -- Li Xiannian, president of the PRC, Peng Zhen, chairman of the Standing Committee of the National People's Congress of the PRC, and Zhao Ziyang, premier of the PRC State Council, sent a telegram to Erich Honecker, GDR State Council chairman, Willi Stoph, GDR Council of Ministers chairman, and Horst Sindermann, president of the GDR People's Chamber. The telegram reads: "We express our cordial thanks to you for the congratulatory telegram sent on the occasion of the 35th anniversary of the PRC."

## BRIEFS

COOPERATION TALKS WITH JAPAN -- On 4 October Gerhard Beil, Chairman of the GDR-Japan Economic Committee and state secretary, received for a talk on further developing the economic and industrial-technological cooperation Ichio Tetsuya, president of the Japanese Trade House C. Itoh and Co. Ltd., and M. Adachi, president of the Daikin Manufacturing Co. Ltd. During the meeting Tetsuya expressed his satisfaction with the good level of cooperation with the GDR foreign trade enterprises and combines and submitted proposals for intensifying the mutual trade and economic relations. [Summary] [East Berlin NEUES DEUTSCHLAND in German 5 Oct 84 p 2 AU]

VISIT OF FIELDS -- On the occasion of the 35th anniversary of the GDR, ship units of the USSR Baltic Fleet and the Polish Navy arrived in Rostock-Warnemuende. They are headed by the chiefs of both navies, Admiral Ivan Kapitanets and Admiral Ludwik Janczyszyn. [Excerpt] [East Berlin NEUES DEUTSCHLAND in German 6-7 Oct 84 p 4 AU]

KADAR TOAST AT 15 OCTOBER PARIS LUNCHEON

AU171204 Budapest NEPSZABADSAG in Hungarian 16 Oct 84 p 3

[MTI report on the toast by Janos Kadar, first secretary of the MSZMP Central Committee and member of the Presidential Council of the Hungarian People's Republic, at the 15 October luncheon held in his honor by President Mitterrand at the Elysee Palace in Paris: "Janos Kadar: We Abide by the Consolidation of Peace and International Cooperation"]

[Text] Highly esteemed Mr President of the Republic, our French friends: On my own behalf and on behalf of my compatriots in my entourage, I sincerely thank you for the invitation, the cordial reception, and the interest in and sympathy with Hungary that was manifested in, among other things, the words of the president.

We, the representatives of the Hungarian People's Republic, are visiting the French Republic, a country of glorious history which is an important factor in international life, especially in shaping the position of Europe. I am pleased to fulfill my assignment of conveying the cordial greetings and good wishes of Hungary's Presidential Council, the Council of Ministers, and her people to the leaders and people of the French Republic.

The Hungarian people highly appreciate our good bilateral relations which keep expanding and remember your visit, Mr President, to Hungary in 1982 as an outstanding event. It is certain that our present talks will also bring good results, and, in accordance with common wishes and realistic possibilities, that they will give a new impetus to the furtherance of Hungarian-French relations in all walks of life. It is certain that we serve the interest not only of our people but also our continent. Our recent talks this morning also convinced us that this expectation is realistic. I am convinced that our further talks will also be characterized by a constructive spirit and reciprocal good intentions.

Esteemed Mr President, you said that our countries' social systems are different as we belong to different alliance systems, and we hold diverging views on several issues of the international situation. However, it is important that there are important meeting points in our stands and efforts, and they can be used as a basis for the future. A decisive factor of our relations is that none of our peoples and governments want war, and this lends importance and substance to our dialogue on the protection of peace. Our ambitions converge in that countries of diverging social systems should develop mutually beneficial relations on the basis of peaceful coexistence.

It is regrettable that the arms race has continued and that the elements of confrontation have multiplied since our last meeting. All this happens at a time when the number of nuclear weapons is particularly high and further and more sophisticated weapons of mass destruction are produced.

We are convinced that the stockpiling of nuclear weapons does not increase but rather reduces security. Those who irresponsibly state that a nuclear war can be won and speak about the possibility of a limited nuclear war risk the future of millions of people, in Europe and elsewhere in the world.

The Hungarian People's Republic has played an active part in the elaboration of several still valid stands and proposals of the Warsaw Treaty. The Warsaw Treaty member-states do not wish to gain superiority and do not allow the other side to gain it. We think that the elaboration and conclusion of such agreements are our present task, which guarantee an equal security of parties at a lower level of armament. It is still a valid proposal that the members of the Warsaw Treaty and NATO should conclude an agreement on the renunciation of the use of force and the development of peaceful relations. Such an agreement would considerably contribute to the reduction of tension in Europe and create favorable conditions for the furtherance of disarmament talks.

We support the Soviet proposal on the demilitarization of space and welcome the beginning of talks on the banning of chemical weapons. We expect achievements from the Stockholm Conference on Confidence-Building Measures and Security and Disarmament in Europe and the other forums that fit into the Helsinki line, such as the cultural forum to be held in Budapest 1985. We regard it as an honor that Hungary has been assigned to organize this important conference and we will fulfill our duty.

The historical experiences of the peoples in Europe warn us to do everything possible to protect peace on our continent and to strengthen understanding and reciprocal confidence. The map of Europe is full of the signs of previous wars, the majority of those signs recalling the most destructive war of mankind, World War II, which broke out through the work of fascists.

In addition to soldiers' tombs, there are memorials at the camps of annihilation and elsewhere where millions of innocent victims are buried.

The 40th anniversary of the victory over fascism, of historical importance, will be celebrated within some months. However, 4 decades have not lessened our gratitude to those peoples and their sons, such as the heroes of the French resistance movement and Hungarian antifascists who fought in France and united their forces against Nazi barbarism. The passage of time cannot fade these events, and we condemn fascism wherever it crops up in new disguises. We firmly reject the dangerous efforts which question European realities that were established as a result of the devoted struggle of the antifascist coalition.

Janos Kadar then stressed: The Hungarian People's Republic continues to hold a stand for the strengthening of peace, security, and international cooperation. We continue to hold as important the document that we signed in the Finnish capital almost 10 years ago. The coming anniversary could be celebrated best if political life in Europe would be imbued by the spirit and letter of the Helsinki Final Act.

The foreign policy of the Hungarian People's Republic is based on the realization that there is no reasonable and acceptable alternative to detente. We support every genuine talk designed to settle concrete problems. Bilateral talks could be useful contributions to replace confrontations with agreements, with the result that instead of increasing tension, detente would characterize international life.

Mr President, surveying our bilateral relations, we have repeatedly discussed the world economic crisis and international economic relations. Though there are slight signs of improvement, their influence on our continent is not really felt as yet. Under such circumstances it is not useful for any of the partners to narrow East-West economic cooperation and to hamper it by politically induced measures.

It is to be added that Hungary wishes to follow the way of more intensive participation in the international distribution of labor and not of isolation. I am convinced that developing economic relations between countries of diverging social systems and belonging to various alliance systems serve both parties' interest and contribute to the economic upswing and the cause of detente. Considering this and a great number of unexploited possibilities, we make efforts to improve Hungarian-French economic relations.

The Hungarian People's Republic continues to be a steady and reliable partner in international cooperation. On this basis we are ready for the further and comprehensive development of Hungarian-French relations in all walks of life.

Esteemed Mr President, availing myself of the opportunity, I would like to thank you for your work in the developing comprehensive Hungarian-French relations.

I would like to thank you for the correct and particularly good atmosphere which characterized our talks so far and your warm words to the Hungarian people.

We must continue to work. I would like to convey the invitation of the Presidential Council of the Hungarian People's Republic to you for a visit to Hungary at a convenient time. I myself would be personally pleased if you could come.

We Hungarians highly appreciate the international role of France and your personal efforts. France has a reputation in the world, and thus she can do much to improve international relations. Hungary, within the bounds of her possibilities, makes efforts for the same purpose. I wish success to the great French people and that they enjoy the outcome of its work in peace.

In conclusion, Janos Kadar raised his glass to the health of the French people, President of the Republic Mitterrand, the eminent French figures present, the development of Hungarian-French relations, and peace.

NEWSPAPERS ASSESS KADAR'S VISIT TO FRANCE

LD171220 Budapest MIT in English 1043 GMT 17 Oct 84

[Text] Budapest, October 17 (MTI) -- Wednesday's NEPSZABADSAG, the central daily of the HSWP, writes: "Talks in merit that tackle genuine problems in earnest and do not just seek propaganda exploits are needed.

"Nothing can substitute such talks. A bilateral discussion is useful provided the sides seek ways of directing the world back to detente instead of heightening tension. Janos Kadar's talks in Paris merit the description. The constructive tone of the meeting and the mutual goodwill of the participants encourage us to hope that the now-concluded Hungarian-French discussions will promote detente.

"The talks took place when both Hungary and France are facing mounting problems and hope that bilateral cooperation can help overcome the economic difficulties. Difference in social system had not prevented Hungary and France from promoting cooperation to mutual benefit. The present adverse conditions also compel them to proceed in that direction.

"Alongside bilateral relations the sides discussed world affairs, where dangers to world peace abound. Janos Kadar said of Hungary's position that his country was an active participant in the elaboration of proposals on assuring equal security for all sides at a lower level of armament and agreement between Warsaw Treaty and NATO on renouncing the use of force. Hungary is supporting these initiatives.

MAGYAR HIRLAP writes:

"Efforts to elaborate concrete forms of cooperation and mutual respect marked Janos Kadar's visit to Paris. Though there are fundamental differences of view over certain issues between Budapest and Paris, the visit was successful. The differences stem from the two countries' commitment to different political and economic alliances and the fact that Hungary, as it is well-known, is a faithful member of its alliance. In sincere discussions, where neither statesmen made a secret of differences of view, the participants sought shared elements in the policy of the two countries. Both peoples are committed to the ideal of peace and understanding between peoples and peaceful coexistence.

"The recent Hungarian-French meeting was part of these efforts. What lent special significance to it was that against the background of a tense international situation Hungarian foreign policy again took a stand in favour a continual and meaningful dialogue between socialist and capitalist countries."

NPESZAVA, the central trade union daily, writes:

"Dialogue between East and West is a dictate of our era. That is why every personal discussion between Eastern and Western statesmen is described as an important international event. The talks between Janos Kadar and Francois Mitterrand were in this category.

"The discussions did not, and could not, produce spectacular results, a breakthrough, either in bilateral relations or international politics. There is no need for a breakthrough in Hungarian-French relations as that has already taken place. In international politics, especially East-West relations, a breakthrough would be badly needed, however, that is not a realistic aim. A struggle with a lot of poles and participants is under way in the international political arena for that aim. Though Hungary and France are active participants in that struggle, they are not of decisive importance in it."

CEAUSESCU'S VISIT TO FRG, MEETINGS NOTED

AU171219 Budapest NEPSZABADSAG in Hungarian 16 Oct 84 p 2

[Text] Nicolae Ceausescu, president of the SR of Romania, arrived in Bonn, the capital of the FRG, for a 48-hour official visit on Monday, 15 October.

The Romanian head of state will discuss with his hosts, FRG President Richard von Weizsaecker, Chancellor Helmut Kohl, and Foreign Minister Hans-Dietrich Genscher, first of all East-West relations as well as bilateral economic relations.

The FRG head of state gave a luncheon in Nicolae Ceausescu's honor on Monday, 15 October. The Romanian head of state held talks with Chancellor Helmut Kohl in the afternoon.

MARJAI SPEAKS ON ECONOMY, FOREIGN TRADE

LD101246 Budapest MTI in English 1026 GMT 10 Oct 84

[Text] Budapest, October 10 (MTI) -- Hungarian Deputy Prime Minister Jozsef Marjai delivered a speech at the opening of the Conference of the International Economic Association, held October 8-12 in Budapest and Vienna respectively. Here follow excerpts from the speech.

"Experience shows that in our world there is close interdependence between political affairs and the economy, while the turning points are being made even more emphatic by the changes occuring in the international political scene.

"We believe that sincere exchanges of views, mutually advantageous and complementary economic relations, can in themselves beneficially contribute to putting life into the detente process.

"Historically, Hungary has always been interested in the maintenance of East-West relations. In our foreign trade, the largest share is taken by the socialist countries and, within this content, by the member states of the Council for Mutual Economic Assistance. The economic links maintained with the socialist countries assure a vast and balanced market, as well as purchasing possibilities for our economy.

"Based on that, the share of Hungarian foreign trade conducted in hard currency terms has undergone an essential change in the recent period. We have managed to halt the deterioration of the balance of trade, in fact, an important surplus has been run up on trade in recent years. With this, Hungary's external payments situation has become stabilized.

"It is undeniable that for these firm results, achieved in that period, and for the changes in quality enforced through vigorous economic measures, a high price has had to be paid. The earlier well-accustomed growth rate has slowed down and the size of investments reduced, the real wage rate has declined, and restrictions have had to be imposed on hard-currency-related imports.

"Parallel with the normalization of the situation, we have relaxed, and go on relaxing, the stringent measures concerning import. We do not want to solve the present-day economic problems by just restraining imports but through an active export policy."

Jozsef Marjai stressed that, taking all this into consideration, we are working on the creation of a qualitatively new state of development, which naturally must assure in the process the further consolidation of the external balance of the national economy.

"It is essential that in the most dynamic and export-intensive branches of the economy we stimulate growth. An important means in achieving this aim is the ongoing modernization of the system of economic management. We have reviewed the system of forming prices and wages, and we are making the existing rules regularly more flexible. We are substantially increasing the independence of the companies, and restricting possibilities for administrative intervention in the day-to-day activity of the companies. We are introducing company managements together with the workers.

"At various international forums, we continue to call for mutually advantageous East-West links. Observing the commodity pattern of East-West trade, it can be definitely stated that these relations are advantageous to both sides.

"We must condemn the practice whereby some countries restirct transfer of technology by means of artificial obstacles. It is obvious that no critical point of East-West relations can be resolved by any restrictive means. It is well-balanced relations that give a genuine solution.

"We are stimulating Hungarian economic units to take part, of their own accord, in East-West economic links. For this purpose, we have significantly decentralized the structure of foreign trade. Many producing companies have been granted direct foreign trading authorization, a process which we wish to vigorously broaden in the future as well.

"With regard to the regulation of foreign trade, we want to promote first of all the building up of genuine trading positions by the Hungarian companies, so that they strengthen their competitiveness. The commodities delivered by them should incorporate as high technological standards as possible, and the price levels of the commodities sold by them should also correspond to international trends," said, among other things, Jozsef Marjai.

FALUVEGI ON ECONOMIC MACROMANAGEMENT, REGULATORS

AU161400 Budapest NEPSZABADSAG in Hungarian 13 Oct 84 p 5

[Interview with Lajos Faluvegi, deputy premier and chairman of the National Planning Office, by Istvan Foldes, deputy editor in chief of NEPSZABADSAG, entitled: "Interview With Deputy Premier Lajos Faluvegi on the Development of Economic Macromanagement and the Change of Regulators"; date and place not given; first paragraph is NEPSZABADSAG introduction]

[Text] The Central Committee April session took a stand on the further development of our economic macromanagement. Based on this most important position of principle, necessary government decisions will be made in the near future on the details of modifying economic regulators and other tasks related to the further development. Istvan Foldes, our deputy editor in chief, discussed these with Lajos Faluvegi, deputy premier and chairman of the National Planning Office.

[Foldes] How would you characterize the main goals of the further development of economic macromanagement?

[Faluvegi] The development of economic macromanagement is closely related to our economic policy goals. Like the goals themselves, the means for implementing them must also be developed over the long term and in several stages. The Central Committee and government decision in respect of the development of economic macromanagement stipulated that everything we are going to do in this area in the coming years is interrelated. The most important goal of further development is to fulfill society's expectations of advancement by asserting efficiency requirements and the elements of intensive economic development.

As for the trends of further development, there are elements that do not require modification compared to the principles developed in the 1966-68 period, there being only a need for their practical application to be improved. These are the people's economic plan and its tasks, the nature of the interaction between the plan and the market, and the fact that the central managing organs should urge the enterprises to implement the economic policy goals primarily through economic means. Perhaps I should have mentioned in the first place the fact that we continue to basically rely on public ownership of the means of production in our economic development.

According to the new requirements, several elements of macromanagement will gradually change, and a considerable part of these changes will become standard practice as soon as 1985. We will introduce new forms of enterprise management. As you know, a part of the large enterprises and the public utility companies will operate under state administrative management. There will be enterprises managed by enterprise councils and enterprises operated by an elected leadership.

In modifying the system of regulation, we are guided by the main goal of increasing the demands for efficiency faced by the production and marketing processes, and the fact that the units pursuing economic activity should be differentiated accordingly. With all this, we wish to place more efficient enterprises in a more favorable situation, and above all the large enterprises capable of efficient development and in the forefront of technological progress.

A further endeavor is to ensure that the economy adjust better to the world market and domestic demands. In order to achieve this, we will create better conditions for the production factors -- the means of production and manpower -- to move in the directions of more efficient operations. All these aims are supported in production, marketing, and in the sphere of credits by organizational changes that are expected to stimulate entrepreneurial behavior.

How Will Enterprises Be Affected?

Among these changes we must also mention state menagement, because the requirements are greater here, too. We must improve cooperation between ministries in planning, and we must strengthen the scientific background of economic planning and widen social participation in this. We must do all this in order to be able to take a more efficient position in regard to the key points: the implementation of the leading trends of technological progress, material and energy savings, and improving the organization of labor. In addition, we will primarily assert the state's market-control influence and its organizational and economic influence in areas where performance is lagging behind requirements and where there are disturbances in the economic activity.

I repeatedly stress that the modernization of economic macromanagement is a steady process in which there are phases that are interlocked but their implementation differs. We can neither stop nor race ahead. If we think back on 1968, we can say that the reform was prepared carefully, but now we are planning our steps on a longer-term basis than at that time.

[Foldes] How does all this affect the enterprises? How will enterprise income regulation change?

[Faluvegi] I must frankly say that enterprises will not have an easy task. Requirements imposed on management will be considerably greater and stricter. They will have to familiarize themselves with the new conditions and apply them in their daily life. The essence of the change in regulation is the fact that, in order to strengthen the incentive to augment social property and the collective outlook of ownership, a considerable part of current withdrawal, which is proportionate to profit, will be changed to withdrawal proportionate to resources. A tax on assets will be introduced, and burdens on wages will increase. At the same time the tax on profits will be reduced, and taxes on development funds will cease.

The number of enterprise funds will decrease, and enterprises will be able to freely dispose of the remaining uniform, so-called incentive fund in the same way that they can dispose of an increasingly larger portion of amortization. With regard to credits, they will have certain options, and more financial institutions will finance ventures and technological development.

We hope that the new incentive system will result in a favorable position for those whose economic activity is more profitable and those who can increase their profits more rapidly and for longer by increasing performance. It will also be necessary for enterprises to pay more attention to each other when they assume their obligations, because the state will not automatically assume losses and the financing of inter-enterprise obligations that are not met.

In modifying regulators, we must also see to it that suitable conditions are created for a few branches -- the food economy and services, for instance -- because the requirements they face cannot be deduced directly from internal and external market conditions.

[Foldes] Would this not bring back the practice that eventually militates against differentiation through exceptions?

[Faluvegi] In the course of preparing the regulators, there were people who wanted us to make many exceptions and grant exemptions to stricter demands for one reason or another. However, economic macromanagement cannot accept such a thing because, if this becomes the rule, then regulation will not be able to advance. However, in the most justified cases -- those with a bearing, sometimes only temporary, on activities rather than on enterprises -- it will be necessary for us to make the objectively existing differences and differing conditions more equal.

Greater Differentiation

[Foldes] Our economic macromangement has been criticized a great deal for failing to sufficiently stimulate greater achievement. It does little to facilitate differentiation among enterprises. It does not truly spur people on to better achievement, and it tolerates poor performances. Enterprises regularly complain that for years the regulator system has repeatedly been made stricter, but it soon emerges, also with regularity, that this does not produce truly better work. Can any change be expected in this respect?

[Faluvegi] The question is justified, although I must say that in the preparatory discussions we rather encountered concern on the part of the Chamber of Commerce, the interest-protecting organs, and enterprises that the differentiation would be too great. As heretofore, our position on this is that, on the basis of genuine performance, performance confirmed by the market, there should indeed be differences between the incomes of enterprises and working people. What is it that means a change in this respect and can result in the long awaited effects?

For one thing, there will be an essential change in wage management. There will be several kinds of wage regulation systems, primarily according to the demands the enterprises undertake to fulfill. It is known that the form of regulation that has largely prevailed so far was based on the increase of earnings (average wages). Now the regulation of the earnings level will come to the fore. The essence of this form of regulation is the fact that enterprises making a greater profit will be able to pay greater individual incomes. This form of regulation will apply to 40 percent of the enterprises, with 60-65 percent of these being in the so-called competitive sphere. I emphasize that it would be advantageous for enterprises and our people's economy alike if as many enterprises as possible choose this form, while also being aware of the strict demends involved.

The second change is the fact that there will be greater differences in development possibilities. Where there is more profit, there will be more of it left, and such enterprises will be more credit-worthy. The updated banking system will assume a greater portion of the risks of the ventures it has financed, and, within certain limits, interenterprise credit-granting will become possible with all the risks involved. It is our definite endeavor that enterprise losses should incur considerably greater consequences than heretofore. Therefore, liquidation proceedings may take place more frequently.

These changes will be introduced gradually in the system of enterprise economic activity, but we hope that they will begin to affect enterprise thinking from now on. Through striving for profit, enterprise incentive conditions will increasingly change in a direction of values that are reflected in an increase of enterprise assets, an improvement of the enterprises' position in the market, and the laying of firm foundations for their economic activity.

[Foldes] It is intended to provide more scope for the market and competition in the future. How and within what framework do we wish to attain this?

[Faluvegi] I think that expanding competitive market conditions and making them more healthy constitute a very important element of progress. What is most important, however, is the fact that in our country the market functions within the framework of a planned economy and is subordinate to it, and the fact that the impact of market forces must be consistent with the level of development of our productive forces and international economic conditions. We must ensure harmony between supply and demand, among other things, through the planned regulation of purchasing power, whereby planned should be seen as meaning the regulation of purchasing power that results in the government not being forced to change "the rules of the game" during the year. It is definitely necessary to modernize interenterprise relations, and to do so not only through legal rules, but through so-called market building, through sounder proportions of enterprise dimensions, in order to enable the economy as a whole to react better to changes in supply and demand. We intend to increase the effectiveness of market control, supervision of those in a monopoly position, and those who generally display a dishonest market attitude. A legal decree, a law of the highest level in this respect will be adopted in the near future.

I would note in connection with this question that in our country there are also exaggerated views on the market. In any case, one must pay attention to the barriers that limit the expansion of competitive conditions in our country today: primarily the weaknesses of our competitive ability in the world market, the barriers of import competition, the planned nature of our relations with the CEMA countries -- which have, of course, great advantages from another angle -- and certain social barriers that affect price and employment policy. In any case, we have always spoken of a market regulated according to plan. At the same time all this explains why it is expedient for us to advance step by step on the path of modernizing economic macromanagement, making use of our experience and being guided by realistic prerequisites and the time required for changes that can be made in this respect. In so doing, we do not at all want to slow down the forces of progress, but everyone must realize for himself that we can only create the necessary prerequisites gradually.

An Anti-Inflationary Policy

[Foldes] Permit me a question that greatly preoccupies public opinion: How will the planned measures affect prices, and how does the role of our economic policy in slowing down inflation manifest itself?

[Faluvegi] Reducing inflationary pressure is an important task of our economic policy. I am not looking for excuses, but in order to see the tasks and realities clearly, I must begin by saying something about the nature of the issues. Inflationary pressure is not some superficial phenomenon. The reasons for it must be sought in the very depth of economic processes. I would like to single out only a few of them now. First: Our terms of trade have been deteriorating for more than a decade, that is, the prices of our imports are rising considerably more than our export prices. Because of this, there has been a decrease in the income of the people's economy that is usable at home and in the mass of distributable goods, and this creates an inflationary impact. Second: Productivity and efficiency are not improving as they should, so the additional result of domestic work has not been able to offset the higher cost of imports. Third: We began to develop a more rational relationship between consumer and producer prices and to simultaneously increase prices, and, as one of our means, we were obliged to reduce price subsidies to consolidate the equilibrium. Because there are still many shortages manifest in the economy and imports cannot be an alternative in every area, enterprises can easily pass on the price increases.

These are largely objective circumstances, but they are not the only ones that have a role in inflationary pressure. Enterprises still have ample means of building into their prices negligent and poor work and the costs of wasteful economic operations. For this reason, we cannot dispense with a purposeful anti-inflationary policy, one that slows down the rate of price increases. What are the main directions of this? Primarily there is our endeavor, by economic regulation, to induce enterprises to work more efficiently and productively, in a more organized manner, and with a higher degree of sophistication in their work. This will be encouraged by the wage regulation to be introduced, by the energy conservation and other programs, our plans for technological development and modernization, and new features of our investment policy enabling us to release live labor. Another major direction is that supply is to be expanded. Organizations pursuing economic activity must be created that are capable of flexibly adapting to production and marketing requirements, there must be a financial policy that encourages efficient production, and there must be economical substitutes for imports, market control, and stricter price control. Last, from the viewpoint of planning for the people's economy, consistent regulation of purchasing power can relieve inflationary pressure.

If we look at the forecasts for next year, we must sincerely declare that a complete regression of the level of price increases cannot be a realistic goal in view of the expected circumstances. This would greatly narrow the economic room for maneuver of the structural change. It is, however, a realistic endeavor to gradually curb the current rate of inflation. What is very important in the evaluation of the question is: If we increase our economic performances, this will lay the foundations so that real wages will not decrease, and later will slightly increase. This goal is at least as important as the goal of stopping the increase in consumer prices.

[Foldes] The further development of economic macromanagement -- as the Central Committee position points out -- is a task for several years. Which changes will be implemented by next year, and which will be implemented later?

[Faluvegi] In 1985 we will introduce the new enterprise income regulators. There will be a fundamental change in wage management and incentive. We will liquidate step by step the unjustified limitations of the price and calculation system, we will standardize the turnover tax system, we will begin modernizing the banking system, and we will begin introducing new forms of enterprise management. In accordance with this, we will modernize the management activity, and we will review the ministries' tasks and spheres of authority.

Most of the regulations concerning the new and renewed management elements will appear at the beginning of November. In the first half of the Seventh 5-Year Plan period we propose to introduce a uniform personal income tax, and we will further perfect the pricing system and the banking system.

Replying on public opinion

[Foldes] Many things will change; we will have to get aquainted with and apply many new concepts. How will the changes in respect of the further development of economic macromanagement become known?

[Faluvegi] First of all we will ensure that the enterprise managers and the experts working in economic macromanagement are thoroughly acquainted with the changes, so that these changes can serve as a basis when they work out the plans for the next year and the next 5-year period. We would like to make sure that not only the top managers of enterprises but also the mid-level managers and the party and trade unions activists are acquainted in the following 2 months with the new conditions of economic activity. Courses will be held on national and branch levels and educational publications are being prepared; both will give each interested person an exact picture of the most important elements of the further development of the economic macromanagement system and of the concrete steps.

[Foldes] Familiarization is only one aspect. For a successful implementation, more and more people must realize that these changes go beyond the interests of the people's economy to also serve their own direct interests. What is your opinion about this?

[Faluvegi] There are many elements of the changes that will most probably easily win the support of public opinion. There are others of which the people must be convinced. Among the former, I would list the new wage regulation, which fulfills the workers' old desire because it makes it possible for the person who works more efficiently in regular working time to earn more. It is true there will be no guarantee that those who show a weak performance will maintain their former wage level. Similarly, the enterprise income regulation, the differentiated development of units pursuing economic activity will cause greater differences in the enterprise incomes and thus in the possibilities of wage increases. I believe that the good workers, the cooperative workers, the talented engineers, the economic managers with entrepreneurial spirit, that is the majority, must be convinced that in the final analysis this also serves their own interests.

It is one of our goals -- and the modified economic regulators have an influence in this direction -- to bring about efficient employment. We continue to maintain our great achievement: Our state assures a job for every citizen who wishes to work. To keep a good job and to earn a higher income, however, one will be required to do much more in the future.

The institutional coordination of interests will play a bigger role in questions regarding employment and in other questions. The new bodies of enterprise management will be forums of great importance for this. The trade unions, the Chamber of Commerce, and other repersentative organs of interest will also play an increasing role in harmonizing different interests and efforts.

All these create new situations in many respects for the enterprise managers. They will have to take the opinion of the enterprise collective into greater consideration, and they must rely on its experience. Their relationship with the ministries will be different as a result of patronage by the supreme authorities gradually ceasing.

All this together increases the responsibility of the enterprise managers. They must work for the implementation of the common economic goals in such a way that their decisions meet with the approval of the workers and obtain their support. This is a really nice task for well-trained, socialist economic managers who are capable of doing more and are open to new things.

Next year will be the year when the foundations of the next medium-range plan period will be laid. The further development of economic macromanagement in this situation -- we hope -- will release creative energies that can become new resources for our economic progress, for safeguarding our achievements and their further development.

INDONESIAN MINISTER MEETS LEADERS SIGNS PROTOCOL

LD171202 Budapest MTI in English 1723 GMT 16 Oct 84

[Text] Budapest, October 16 (MTI) -- Deputy Prime Minister Jozsef Marjai, and Ali Wardhana, minister-co-ordinator for economic, financial, industrial and development affairs of the Republic of Indonesia, signed a protocol concerning their talks on bilateral economic and commercial cooperation, in Budapest, Tuesday.

Jozsef Marjai and Ali Wardhana exchanged views on the state of international policy and economy, briefed one another on the state and development targets of their countries, and surveyed bilateral commercial and economic cooperation. Both sides expressed firm commitment to promote the development of reciprocally advantageous bilateral relations, and to encourage the establishment and permanent development of regular contacts between the Chambers of Commerce and companies of Hungary and Indonesia. The sides examined fields where mutual goods deliveries could be expanded and widened, technical, scientific, and production information transferred and jointly utilized. They agreed to set up a joint commission for bilateral economic cooperation. Ali Wardhana received Minister of Industry Laszlo Kapolyi and Foreign Trade Minister Peter Veress.

Ali Wardhana Departs 17 Oct

LD171935 Budapest MTI in English 1725 GMT 17 Oct 84

[Text] Budapest, October 17 (MTI) -- As reported Pal Losonczi, president of the Presidential Council of the Hungarian People's Republic, met Wednesday Ali Wardhana, minister-co-ordinator for economic, financial and industrial affairs of the Republic of Indonesia, currently on official visit to Hungary on the invitation of Jozsef Marjai, vice-chairman of the Council of Ministers. In the course of the cordial meeting the parties stated that there were several opportunities to develop reciprocally advantageous cooperation.

Later in the day Vice-Premier Lajos Borbandi also had talks with Ali Wardhana. Both the Hungarian and the Indonesian party expressed readiness to extend bilateral relations, first of all in economic and commercial fields. At another meeting Foreign Minister Peter Varkonyi and Ali Wardhana discussed issues on the South East Asian region and bilateral relations. Ali Wardhana and delegation left Budapest Wednesday.

JAHASZ HEADS INDUSTRY DELEGATION TO IRAN

For Tehran radio and IRNA reportage on the visit to the Islamic Republic of Iran of an 18-member industry delegation headed by Dr Adam Juhasz, state secretary of the Ministry of Industry, see the Iran section of the 17 October South Asia DAILY REPORT and subsequent issues.

AUSTRIAN FOREIGN MINISTER MEETS WITH LEADERS

Visit Termed Weighty Event

LD171235 Warsaw PAP in English 1724 GMT 16 Oct 84

[Text] Warsaw, Oct. 16 -- Austrian Foreign Minister Leopold Gratz today arrived on a (?several-) day official visit to Poland at the invitation from his Polish counterpart Stefan Olszowski.

The visit, coming as a manifestation of the traditionally good Polish-Austrian relations, is a weighty event both in the sphere of the two countries' foreign policy and in the international dimension.

Austria is engaged in building relations of mutual trust and international cooperation. While coming out in favour of preserving status quo in Europe, it considers dialogue the [word indistinct] instrument of solving international problems.

Austria has demonstrated a large degree of understanding for the steps taken by Poland to overcome its internal difficulties. It did not join the anti-Polish economic restrictions, coming out against their use in politics.

All this provides an important background for the talks of the Austrian guest with leading officials of Poland's political life. They will help to further expand the mutually beneficial contacts in all spheres.

At Warsaw's Okecie Airport, which was bedecked with Polish and Austrian national flags, the Austrianforeign minister was greeted by his Polish opposite number Stefan Olszowski. The greeting ceremony was attended by the two countries' ambassadors, Marian Krzak and richard Wotava.

Minister Leopold Gratz opened his visit to the Polish capital by laying a wreath at the Tomb of the Unknown Soldier in Warsaw's Victory Square. The Austrian foreign minister familiarized himself with the history of that memorial and made an entry in the commemorative book.

Olszowski, Gratz Give Speeches

LD171243 Warsaw Domestic Service in Polish 2200 GMT 16 Oct 84

[Text] Austria has shown understanding for Poland's difficult problems. The Polish Government appreciates Austria's policy of active neutrality. This was said by Stefan Olszowski in his speech at a dinner given in Leopold Gratz's honor this evening.

For his part, the Austrian minister said bilateral economic relations show that mutually beneficial cooperation between states of different political and economic systems is possible.

Gratz Talks With Jaruzelski

LD171958 Warsaw Television Service in Polish 1830 GMT 17 Oct 84

[Text] Today was the 2d day of the official visit of Leopold Gratz, minister of foreign affairs of the Austrian Republic. This visit follows logically from Austria's policies vis-a-vis our country. Neutral Austria has always maintained good relations with Poland, declaring its support for international understanding and detente.

Leopold Gratz was received today by General Wojciech Jaruzelski, chairman of the Council of Ministers. Foreign Affairs Minister Stefan Olszowski took part in the meeting. Marian Krzak, Poland's ambassador to the Austrian Republic, and Dr Richard Wotava, the Austrian Republic's ambassador to Poland, were also present. In the course of the meeting international issues were discussed. The need was stressed to halt the arms race and to take urgent action to limit weapons and for disarmament. Premier Wojciech Jaruzelski pointed to the important peace initiatives of the Soviet Union and the other Warsaw Pact states. He emphasized the significance of the Stockholm conference and the need to continue the CSCE process in all possible forms. General Jaruzelski said that the fundamental precondition for lasting peace in Europe is respect for the realities that resulted from the Yalta and Potsdam decisions. During the talks, Polish-Austrian bilateral relations were reviewed. Their current state was ascertained to be positive, which creates good prospects for development in the future. The importance of expanding Polish-Austrian economic relations and of augmenting them through new coproduction projects was stressed.

In the afternoon Minister Gratz was received by Henryk Jablonski, chairman of the State Council. They talked about bilateral relations and the international situation. They also touched on the matter of educating societies for peace and spoke in this context of implementing the recommendations regarding textbooks jointly drawn up by Polish and Austrian scholars.

Minister Gratz also visited the Sejm, where he met Deputy Speaker Zbigniew Gertych. Their conversation referred to the traditionally good contacts between the two states at the parliamentary level. Zbigniew Gertych acqainted the guest with the structure of the Sejm and its recent tasks.

Minister Gratz also visited General Mieczyslaw Debicki, the mayor of Warsaw, who had visited Vienna in June at Leopold Gratz's invitation. At that time the minister was mayor of Austria's capital. The Austrian guest and his entourage today visited Warsaw's Old Town and Royal Castle.

NATION'S POSITION, IMPORTANCE IN EUROPE VIEWED

AU161632 Warsaw RZECZPOSPOLITA in Polish 12 Oct 84 p 3

[Article by Ryszard Wojna, chairman of the Sejm Foreign Affairs Commission: "Europe Needs Poland"]

[Excerpts] Despite the divisions, splits, and rivalries between forces, and the sharp egoism of individual countries intra bloc competition, a certain approach toward common affairs which one may call European politics has been shaping on our continent, practically since the end of World War II.

By "European" I do mean the interpretation adopted by the "Common Market" or the interpretation that arose out of a desire to narrow down the concept of Europe to its western half, but the real European meaning which is reflected in the principles of the CSCE Final Act among other places.

The course and consequences of World War II finally deprived our continent of its earlier exclusive position on the globe. At the same time the appearance of nuclear weapons and their installation all over Europe started to create among our nations the feeling that we share a common fate. I believe this feeling is stronger today than ever. Quite simply, we are all sitting in the same boat. A nuclear war, even the "restricted" war which American strategists apply to our part of the world, will permanently affect the entire continent.

And this is placing the issue of joint security at the center of European politics, regardless of which military bloc a country belongs to.

All this is creating a network of European ties in which the role and function of individual countries regarding security and higher interests in the entire European community has become clear. During the past 3 years dangerous tension has occured in this structure. The reasons lie mainly in American armament decisions and in U.S. treatment of Europe as a foreground for a clash with the Soviet Union. This is really the spirit behind the installation of Pershing II missiles on FRG territory. I also think that one reason why the mechanism of European dialogue was distorted was the attempt by the U.S. Administration to exclude Poland from Europe, an attempt supported by most European NATO members.

Poland was and still is the first victim of the departure of the United States and other NATO countries from the policy of detente. Not wishing to become a battleground for two opposing orientations, which would have had evil results for Poland and, presumably, also for the balance of forces on which peace in Europe rests, we undertook self-defense against which the United States and NATO reacted with economic restrictions and by imposing a political quarantine on contacts with the PPR Government.

This guarantee was never tight, however, many high-level West European political activists were daring enough to come to Warsaw, even during martial law and numerous contacts were maintained at this parliamentary level. I, as a Sejm deputy, had the chance to represent our interests in the parliaments of Holland, Spain, and the FRG. I also met with French and Italian parliamentarians. Nevertheless, the West's decisions remained in force until recently, and the West is still trying to maintain Poland's isolation to a major extent.

Today, Poland should be entitled to ask: Has the climate of European relations over the past few years benefited from the attempts to cut Warsaw off from international dialogue?

If we say that People's Poland is an important component of European peaceful order, this is not mere propaganda. Since we are placed exactly in the center of Europe, are politically and militarily connected with the East, and at the same time maintain increasingly broad historic, cultural, and social contacts with the West, we have been the focal point of the great forces that have shaped Europe. Rejecting the role of an anti-Soviet dam or bulwark which we played to our own loss during the prewar "cordon sanitaire," we have been a bridgehead for constructive contacts between both parts of Europe during important periods since the war.

The political climate in Europe has deteriorated markedly over the past few years. I am not saying that this is solely the result of trying to exclude Poland from Europe, but Warsaw's full participation in international dialgoue is essential if this dialogue is to lead to a reestablishment of at least the most important processes of detente.

In a few weeks time we will host key representatives of the "other" part of Europe. The isolation which that other side imposed on us is breaking because it had to break.

Right now it is difficult to prejudge the talks due to be held in Warsaw. It is certain that the climate of talks with the Greek premier or Austrian foreign minister will be different from, for example, talks with the FRG foreign minister, whose diplomatic baggage is seriously weighted down with the statements and attitudes of some of his government colleagues. Presumably also different will be the climate of talks with the Italian foreign minister or with the secretary of state from the Foreign Office.

I believe, however, that all this will possess a common denominator. Poland, open to all-European dialogue and wishing to contribute toward an improvement in the situation to the best of its ability, is at the same time drawing realistic conclusions from the past few very difficult years. We are opting for broad cooperation based on common interests and for activity for the sake of peace and security, and this we are doing from the clear positions which we occupy in the European balances of forces.

We hope at the same time that the Warsaw genius loci [words given in Latin] will encourage such contacts.

There is still a long way to go before the road of our political and economic contact with the West is unblocked, but the turning point is assuming an ever clearer shape. This is one of the yardsticks showing that our government is reestablishing its prestige.

## GUS REPORTS ECONOMIC DATA FOR FIRST 9 MONTHS

LD171411 Warsaw Domestic Service in Polish 1800 GMT 16 Oct 84

[Text] A report by the Main Statistical Office [GUS] on our country's economic situation over the past three-quarters of the year has been presented at a conference in the government's Press Bureau.

Analysis of the data in the GUS prompts the general conclusion that we are on the right road toward achieving the fundamental, most synthetic index [podstawowy najbardziet syntetyczny wskaznik]: the increased produced and distributed national income envisaged in the plan. In addition, there is a real possibility that it will be exceeded. Many positive elements contribute to creating this situation. In the 9 months of this year, production and labor productivity rose in industry, in the construction industry, and in transportation. In industry, it is 5.3 percent higher than last year; a higher than average increase in production was achieved in the electrotechnical, electronic, power, nonferrous metals, chemical, and clothing industries. In agriculture, grain yields and harvest were higher than in previous years. The cereal crop amounted to 29.6 quintals per hectare; and the harvest exceeded 24 million metric tons. The procurement of beef cattle, poultry, and milk increased; the production of pigs and eggs fell. The positive processes in our economy also include increased trade turnover, in both the first and second payments areas. In the second areas [dollar area] exports at fixed prices rose by 12.9 percent and imports by 11 percent. The increased level of investment outlays, which are considerably scattered and not very productive, is an unfavorable phenomenon. The level of implementation of government orders is too low: This has considerably negative effect on the domestic market and on exports. Other negative points in our economic situation are: increased demand for heating and electricity, and difficulties in expanding the technical infrastructure.

The population's incomes rose this year: Average wages in the socialized economy totaled Z16,905.

FOREIGN TRADE OFFICIAL ON IMPORTING OF FOOD

LD172255 Warsaw Domestic Service in Polish 1105 GMT 17 Oct 84

[Text] Anna Andrzewska talks with Wladyslaw Szczepankowski from the Ministry of Foreign Trade on food import in the fourth quarter of this year.

[Begin recording] [Andrzewska] Mr director, please tell me what agricultural and food products we will purchase abroad. Let us begin with wheat grain, corn, and rice.

[Szczepankowski] We shall continue to purchase wheat grain. This is high-gluten grain needed to improve the quality of baking. Of course, we continue to import corn. You asked about rice: This year we are expecting a record amount of rice -- more than 100,000 metric tons. Additional contracts were signed for 50,000 metric tons from the Soviet Union. I would like to return to the wheat grain for a moment. Namely, the deliveries in the fourth quarter will, to a large extent, be based on barter transactions with the Soviet Union where we deliver the surplus rye which we have had this year and we import wheat grain.

[Andrzewska] We continue to import meat.

[Szczepankowski] The quantity planned for this year for importing is about 125,000 metric tons; the contracts have practically been completed. There are only some minor remainders to the full completion of particular contracts. Meat, to a very large extent, we have imported from Hungary.

[Andrezewska] And there is a remainder from China.

[Szczepankowski] There are small quantities which will soon reach our country. Namely this year we are expecting some additional quantities of lamb from New Zealand. This is a barter transaction for our machines and equipment. Some quantities of poultry, which should reach the market soon, come mainly from Hungary, and some from the CSSR.

[Andrzewska] Are we going to repeat the importing of butter -- in my opinion, a failure -- namely old butter from Norway and the CSSR?

[Szczepankowski] The matter needs...

[Andrzewska interrupts] There was old butter in shops...

[Szczepankowski interrupts] an explanation. The decision on this matter was made last year. This butter from the CSSR was bought in exchange for molasses, so this was not a cash transaction. Also some quantities of butter from Norway were imported as a supplement to the import but it was absolutely fresh butter. This...

[Andrzewska interrupts] It was kept long enough...

[Szczepankowski interrupts] I would not like to comment on this. It is not my responsibility.

[Andrzewska] Coffee and tea.

[Szczepankowski] This year the importing of coffee will exceed 21,000 metric tons. It is a significant amount, although it is not a record amount such as we used to have in the late seventies.

[Andrzewska] We were then making special records.

[Szczepankowski] Yes, of course. However, the amount of 21,000 metric tons should be strongly felt on the market. And I think that it will reach the market soon.

[Andrzewska] If something disappears from the market there is always a fear that there will be a price increase.

[Szczepankowski] For coffee the price change could only be downwards and not upwards -- this is the opinion about the matter. So I do not think that there would be any reasons that one could at all presume that coffee will go up.

[Andrzewska] This is one of the best pieces of news that we have recently heard.

[Szczepankowsi] Thank you very much. [end recording]

BULGARIAN CULTURE DELEGATION HOLDS TALKS

AU171241 Warsaw TRYBUNA LUDU in Polish 15 Oct 84 p 2

[Text] PAP -- At the invitation of Kazimierz Zygulski, minister of culture and art, a delegation from the People's Republic of Bulgaria headed by Georgi Yordanov, BCP Central Committee Politburo candidate member, deputy premier, and chairman of the Committee for Culture of the People's Republic of Bulgaria; and by Vladimir Zhivkov, deputy chairman of the Committee for Culture; paid an official visit to Poland from 9 to 13 October.

The delegation met with PZPR Central Committee Secretary Waldemar Swirgon and attended talks at the Central Committee Cultural Department, where the guests were informed about the implementation of the resolutions of the Ninth PZPR Extraordinary PZPR Congress and about party work in culture. The delegation also attended talks at the Ministry of Culture and Art, during which cultural cooperation to date was assessed and the chief goals of cultural exchange and cooperation for the years 1986-90 laid down. The basic plan for the Polish Culture Days, due to take place in Bulgaria in November this year, was agreed on.

V. Zhivkov was received by Boleslaw Faron, minister of education and upbringing. Problems connected with educating the young generation in the spirit of peace, and the participation of Polish children and young people in undertakings connected with the "Standard of Peace" world gathering were discussed. The Bulgarian guests acquainted themselves with the functions, role, and tasks of the National Cultural Council in the development of national culture, and held talks with its chairman, Professor Bogdan Suchodolski.

Together with his entourage, G. Yordanov visited Katowice and Krakow Voivodships, acquainting himself with their socioeconomic development and cultural life.

Witold Nawrocki, director of the PZPR Central Committee's Cultural Department, took part in the meetings and talks. Georgi Georgiev, ambassador of the People's Republic of Bulgaria to Poland, was also present.

REPORTAGE ON CEAUSESCU'S VISIT TO FRG 15-17 OCT

Ceausescu Meets Businessmen

AU17075 Bucharest AGERPRES in English 2339 GMT 16 Oct 84

[Text] Bonn AGERPRES 16/10/1984 -- Expressing his satisfaction at having met with a large number of executives and representatives of various West German companies and firms, President Nicolae Ceausescu underscored that during his visit and the talks he had with President Richard von Weizsaecker and Chancellor Helmut Kohl it was jointly agreed to work on both sides for a higher development of Romanian-West German economic collaboration in all domains.

The relations between Romanian enterprises and West German companies, the Romanian president highlighted, had registered a great development until the eighties. After that, a slump occurred in our economic exchanges. This was partly due to the influence of the world economic crisis, nevertheless, the way in which both sides worked for the development of economic relations, of exchanges between our countries also played a certain role in this respect.

With reference to the most adequate ways and means to develop interstate commercial exchanges in the current international economic conditions, President Nicolae Ceausescu emphasised that, at present, compensation was widely practised in the world, apt to amount to 50 per cent of the world trade by 1990, according to the estimates of well-known economists. This is also explained by the fact that the inordinately high interest rates, standing at present at 12-13 per cent, having even climbed sometimes to as much as 20 per cent, have virtually blocked the recourse to banking credits in international trade. Nobody can pay back interest rates that high, which means that new forms must be identified, and compensation seems to be one of them, maybe not the best, yet an extremely practical one.

Generally speaking, Romania's president said, we must view the development of economic ties between our countries in a new framework. The Romanian economy is no longer as twenty years ago, nor is it as ten years ago. It is a new economy, boasts a modern industry which is in many respects at a higher level than that of older firms, and hence our relations must accord with this new reality.

I discussed with the chancellor that, in the first stage, we should reach the 1980 level in our economic exchanges in a two-year period, and then exceed this level. We can do it and wish it to be a fact.

We lay equal stress on quality and are concerned about it. Good cooperation must actually be based, on either side, on high-quality products. A high-technology and high-quality production cannot be achieved unless technologies undergo steady improvement, and this requires equitable cooperation and observance of pledges to partake in the promotion of modern technologies.

We must draw conclusions for our future activity. Let us start from the fact that we will cooperate not only in 1985 or in 1986 but also in 1990, in 2000 and further on. Therefore we must cooperate so as to meet the technological requirements at a given time as well as to contribute to continually developing technologies, to raising technological standards for the benefit of both sides. If we want to cooperate and set up joint companies we must be competitive in the world market, and we can do this only by means of high-quality products and technologies. We must even work so as to rank first in various domains.

In this respect and from this point of view, there is no restraint. On the contrary, we are highly concerned to do our best for a high-quality production. We wish to cooperate in third markets but this must be done on reciprocal bases in future. Romania just as West Germany has a series of projects under way in developing countries, and this is a highly important way of cooperation in any domain.

President Nicolae Ceausescu pointed out in conclusion: I have referred to all this since we wish to surmount the current situation which led to a decline in our economic ties and to achieve an economic collaboration and a cooperation in production superior from all points of view. The Federal Government and the restrictions we discussed as well as the increase of Romanian exportables.

I think that we must work together so as economic collaboration between our countries should be highly efficient and advantageous for both sides. Along this line we wish to boost our collaboration with you. We hope that our visit and the understandings we reached on the occasion will dynamize our relations, which will be to mutual benefit.

President Nicolae Ceausescu's address was followed with keen interest and punctuated by applause.

## Andrei, Genscher Discuss Ties

AU171959 Bucharest AGERPRES in English 1930 GMT 17 Oct 84

[Text] Bonn AGERPRES 17/10/1984 -- During the Romanian president's state visit to the Federal Republic of Germany, Romanian Foreign Minister Stefan Andrei had working meetings with Hans-Dietrich Genscher, West German vice-chancellor and foreign minister. The two ministers examined a series of questions of mutual interest including ways and means to implement the understandings at top level and the promotion of Romanian-West German ties.

## Visit Summarized

AU180812 Bucharest AGERPRES in English 2142 GMT 17 Oct 84

["On the State Visit of Nicolae Ceausescu and Elena Ceausescu to the Federal Republic of Germany" -- AGERPRES headline]

[Text] Bucharest AGERPRES 17/10/1984 -- Nicolae Ceausescu, president of the Socialist Republic of Romania, and Elena Ceausescu paid a state visit to the Federal Republic of Germany over October 15-17, 1984, upon an invitation of the president of the Federal Republic of Germany, Richard von Weizsaecker.

During the visit, the president of the Socialist Republic of Romania, Nicolae Ceausescu, held official talks with the president of the Federal Republic of Germany, Richard von Weizsaecker, and the federal chancellor, Helmut Kohl, on the present stage and the prospects of relations between the two countries and on international questions of common interest. The talks were held in an atmosphere of sincerity, confidence and mutual respect.

During the talks cooperation between the two states was shown with satisfaction to develop continuingly and constructively in all fields. The special significance of summit meetings and talks was emphasised, to give fresh impetus to cooperation between the two countries both bilaterally and on international matters of mutual interest.

The joint determination was stressed to expand and deepen relations between the Socialist Republic of Romania and the Federal Republic of Germany on the durable foundation of respect for national sovereignty and independence, fully equal rights of states, non-recourse to the threat or use of force, non-interference in internal affairs, and the peoples' right to decide their own destiny.

During the talks the parties expressed their satisfaction for the positive course of goods exchanges between the two countries. They noted that conditions were favorable for the furtherance and broadening of economic cooperation.

The two countries' willingness was reiterated to permanently develop trade ties to mutual benefit and to improve the pattern of goods exchanges so that they may rise substantially in line with the economic potential of the two countries. Moreover, they stated that every effort would be made to deepen economic, industrial and technical-scientific cooperation bilaterally and on third markets, to find new ways for the accomplishment of their projects. A good basis in their opinion was the agreement on economic, industrial and technical cooperation, renewed for 1983, alongside the agreements on cooperation in research and development as well as those on mutually promoting and guaranteeing capital investment.

Appreciation was expressed for the work of the joint Governmental Commission for Economic, Industrial and Technical Cooperation and it was agreed that it should further and actively examine and promote bilateral cooperation projects. It was also agreed that the joint Commission for Research and Development Cooperation should further intensify its activity, as well as economic and technical-scientific and cultural colaboration.

During the exchange of views on international issues, concern was expressed over the current international situation attributing the present tension to complex causes. A significant contribution to that situation was made by the policy of threat and use of force, domination and spheres of influence, and the huge accumulations of armament. It was assessed that given this situation, all states, whatever their opinion on the causes of the current problems, should make efforts and contribute to find solutions to them to avoid further complications and take every chance to improve the situation.

Stressing the disarmament is a cardinal question of our time, it was agreed that a balance of forces should be achieved at ever lower levels, and that no effort should be spared nor time be wasted to come to concrete and balanced disarmament agreements under efficient international control, with respect for all states' legitimate security interests. In this context it was shown that small and medium-sized states in Europe have a great responsibility and an important role to play in promoting a policy of detente, dialogue, security and cooperation, and disarmament.

During the talk emphasis was placed on the need to put an end to the growing nuclear arsenals by reducing them. In that context, special stress was laid on the need to reach a balanced agreement on American and Soviet medium-sized missiles leading to their complete elimination and, in that way, to the strengthening of peace and security in Europe and the world, with this as a basis to resume Soviet-American nuclear talks.

The need was also expressed to reach a balanced agreement, by way of negotiations, which should provide for a substantial cut on strategic intercontinental systems, for an underlayed beginning of negotiations with a view to avoiding an outer space arms race. They also expressed their conviction that, however complex a problem might be, there was none that could not be solved by way of negotiations.

During the talk, the results were assessed as positive of the Madrid CSCE meeting, and the significance was underscored of the full implementation of the Helsinki Final Act and of the Madrid final document.

The need was reiterated to ground relations among all European states on the objectives and principles enshrined in the United Nations Charter and on the principles contained in the Helsinki Final Act, expressing the resolve to work for a united Europe. It was assessed that the development of relations of good neighbourliness among Balkan countries was apt to contribute to European collaboration, security and detente.

Underscoring the importance of the Stockholm conference, it was restated that joint efforts were needed for its successful conclusion and efficient and concrete measures with a view to substantiating the states' duty to refrain from the use or threat of force in their relations. Agreement on concrete confidence- and security-building measures in keeping with the mandate of the conference was shown to be a big stride toward strengthening security all over Europe. At the same time every effort was shown to be required for concrete results to be achieved as soon as possible at the Vienna talks on the mutual reduction of troops and armament in central Europe.

Highlighting the outstanding importance of the Geneva disarmament conference, the two states expressed their determination to make an active contribution so that it may achieve concrete results and an agreement be reached forthwith on banning and actually destroying chemical weapons.

It was shown during the talks that it was particularly important at the present time that everything possible be done to narrow down the gap between developing and developed countries and build a new world economic order ensuring the faster progress of all countries, of developing ones first of all. In that context, special attention was given to the need for efforts to solve the developing countries foreign debt problem, reduce the high interest rates internationally, and facilitate the access of products from developing countries to the industrial countries' markets.

It was agreed that all disputes among states should be settled peacefully, by way of negotiations, that the threat and use of force should be excluded from international life as stress was placed on the greater efforts that all states ought to make to extinguish the hotbeds of conflict threatening peace in various parts of the world.

During the talks, the belief was stated that the settlement of the many and complex problems confronting mankind required an active and fully equal participation of all states in international life, and in that context, the role of the Non-aligned Movement was underscored.

The importance was shown of a growing role of the United Nations Organization for the maintenance of world peace and security, for the promotion of disarmament, development of cooperation among all peoples, ensurance of strict respect for the principles and norms of international law in interstate relations, and the good cooperation of the two countries at the U.N. and other international organizations was highlighted, as well as their agreement to continue and expand it.

Nicolae Ceausescu, president of the Socialist Republic of Romania, extended an invitation to the president of the Federal Republic of Germany, Richard von Weizsaecker, to pay a state visit to the Socialist Republic of Romania. Likewise, President Nicolae Ceausescu invited Federal Chancellor Helmut Kohl to the Socialist Republic of Romania. The invitations were accepted with pleasure.

The visit and talks were a landmark in the development of relations between the Socialist Republic of Romania and the Federal Republic of Germany to serve the interests of the peoples of the two countries, of the cause of peace, detente, cooperation and security in Europe and the world over.

Delegation Welcomed Home

AU171744 Bucharest Domestic Service in Romanian 1600 GMT 17 Oct 84

[Excerpt] Comrade Nicolae Ceausescu, president of the SR of Romania, together with Comrade Elena Ceausescu, returned today to Bucharest from his state visit to the FRG at the invitation of President Richard von Weizsaecker and Mrs Marianne von Weizsaecker. President Nicolae Ceausescu's visit is proof of the positive evolution of relations between the two countries and peoples and an illustration of the mutual desire to expand and deepen bilateral relations to mutual advantage and in the interest of peace and detente in the world.

On their arrival at Otopeni Airport, Comrade Nicolae Ceausescu and Comrade Elena Ceausescu were welcomed by Comrades Constantin Dascalescu, Emil Bobu, Lina Ciobanu, Ion Coman, Ion Dinca, Ludovic Fazekas, Manea Manescu, Paul Niculescu, Constantin Olteanu, Gheorghe Pana, Ion Patan, Dumitru Popescu, Gheorghe Radulescu, Ilie Verdet, Stefan Birlea, Miu Dobrescu, Petru Enache, Mihai Gere, Suzana Gadea, Ana Muresan, Ion Radu, Ion Stoian, Ion Ursu, Richard Winter, Silviu Curticeanu, Constanti Radu, by members of the RCP Central Committee, the State Council, and the government, and by managers of central institutions and mass and public organizations. Gostrip Jorg-Evert [as heard], FRG charge d'affaires ad interim to Bucharest, and other members of the embassy staff were present.

DPA REPORT ON FRG REACTION TO VISIT CITED

AU171851 Bucharest Domestic Service in Romanian 1800 GMT 17 Oct 84

[Text] DPA carries the following statement by Peter Boenisch, FRG government spokesman: The Federal Government is fully satisfied with the visit of the Romanian party-state chief Nicolae Ceausescu. The talks, Boenisch said, were cordial, open [deschis], and constructive. The Federal Government values the fact that President Nicolae Ceausescu came to Bonn at an improtant moment in East-West relations. This visit proved that concrete talks intended to improve East-West ties are possible and significant, Boenisch said.

The West German press agency emphasizes that the Federal Government, in unanimity with the Romanian side, believes that such a dialogue should again become a perfectly normal practice. Boenisch said that during the talks on disarmament and arms control, both sides agreed that the Soviet-U.S. negotiations on nuclear weapons should be resumed so as to reach concrete results and a balanced agreement on cruise missiles.

The economic relations should expand. The Romanian Government plans to create better conditions for developing cooperation between enterprises. The federal chancellor has accepted the invitation to pay a visit to Romania next year, said the FRG spokesman.

President Nicolae Ceausescu's visit to Bonn, writes DPA, was also valued by the leaders of government and opposition parties. Helmut Kohl, federal chancellor and CDU chairman, said during the meeting of the CDU-CSU parliamentary faction that ultimately the most important thing is that the visit took place.

In an interview with ZDF television, Helmut Kohl added that another important result of the talks was the common belief in the need to resume disarmament negotiations between the USSR and the United States. In order to revitalize economic ties, Kohl further said, the Federal Government is striving to involve West German enterprises in joint projects with Romania.

Federal Foreign Minister Hans-Dietrich Genscher, chairman of the FDP, said, according to DPA, that this state visit is particularly significant. Johannes Rau, vice chairman of the SPD party, said that President Nicolae Ceausescu's visit is proof that the dialogue between states with differing social systems has not broken down.

CEAUSESCU GREETS KIM IL-SONG ON WPK ANNIVERSARY

AU111140 Bucharest SCINTEIA in Romanian 10 Oct 84 p 5

[Text] To Comrade Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea [WPK]: On behalf of the Romanian Communists and people and myself personally, I extend to you and the friendly Korean people cordial greetings and warmest wishes on the 39th anniversary of the creation of the WPK. An event of outstanding importance for the development of the Korean revolution, the founding of the revolutionary party of the workers class has raised the Korean people's struggle for social and national liberation and for freedom and independence to higher levels. Under the leadership of the WPK led by you, the broad masses have attained profound democratic and revolutionary changes in Korean society, proceeded to build a new social system, and ensured the defense of their fatherland's independence and sovereignty.

The Romanian people highly value the Korean people's outstanding achievements in rebuilding the country from scratch, promoting its economic, technical, social, and cultural development, and implementating the decisions of the Sixth WPK Congress.

Reiterating the conviction that the relations of close friendship and cooperation between our parties and countries will further develop and expand in the spirit of agreements reached during our meetings, I wish you and the Korean communists and people new and greater victories along the road to building socialism and ensuring the well-being, happiness, and peaceful and independent reunification of the fatherland.

OPREA MEETS CANADIAN ATOMIC AGENCY CHIEF

AU122147 Bucharest AGERPRES in English 1944 GMT 12 Oct 84

[Text] Bucharest AGERPRES 12/10/1984 -- Problems related to the current stage and the prospects of the Romanian-Canadian collaboration in the peaceful use of the atomic energy were discussed on October 12 during an interview between Romanian Deputy Prime Minister Gheorghe Oprea and James Donelly, chairman of Canada's Atomic Energy Agency, now on a Romanian visit.

## DJURANOVIC BEGINS OFFICIAL VISIT TO TURKEY

### Welcomed by Evren

LD171254 Belgrade TANJUG Domestic Service in Serbo-Croatian 1158 GMT 17 Oct 84

[Excerpts] Ankara, 17 Oct (TANJUG) -- Veselin Djuranovic, president of the SFRY Presidency; and the inviduals accompanying him on his 3-day official visit to Turkey arrived in Ankara this afternoon.

At Ankara airport President Djuranovic was welcomed by President of the Turkish Republic Evren, who was accompanied by the most senior Turkish individuals, including the president of the Republic's Advisory Council members; Grand National Assembly President Karaduman, Prime Minister Ozal, Minister of Foreign Affairs Halefoglu, and others.

Redjep Djiha, SFRY ambassador to Turkey, embassy staff, and members of the Yugoslav community in Ankara were also present at the reception, during which SFRY Presidency President Djuranovic was accorded the highest honors.

In a brief address President Evren bade welcome to President Veselin Djuranovic and stressed Turkey's desire that this visit may contribute to a further development of good and friendly relations between the two countries, in which there are no problems that could hamper such a development.

Replying to the welcoming address, President Djuranovic expressed thanks for the warm words of the Turkish president and expressed his belief in the success of the talks and in the further development of good relations between the two countries, in their mutual interest and in the interest of world peace.

President Evren is hosting a formal dinner tonight in honor of his distinguished guest and members of the Yugoslav delegation, during which Presidents Evren and Djuranovic will exchange toasts.

### Djuranovic-Evren Talks Begin

LD172256 Belgrade TANJUG in English 2108 GMT 17 Oct 84

[Text] Ankara, Oct 17 (TANJUG) -- Turkish President Kenan Evren and SFRY Presidency President Veselin Djuranovic began official talks here this afternoon. The talks encompassed international relations, the situation in the Balkans and the Mediterranean and, especially, Turkish-Yugoslav cooperation, (?laying) main emphasis on its economic aspect.

Djuranovic arrived for a three-day official visit today. In their talks on the international situation, Djuranovic and Evren pointed out the necessity of resolving the Mideast situation, recognizing the rights of the Palestinian people, ending the Iran-Iraq war and resolving the crises in the world.

They also discussed big power relations and [words indistinct] the important role of the nonaligned countries. During the talks, qualified by the two sides as the continuation of top-level talks initiated two years ago when President Evren visited (?Yugoslavia), the two sides said special attention should be paid to economic and other forms of (?bilateral) cooperation.

It (?was) also pointed out that Yugoslavia and Turkey consider the development of their cooperation as a contribution not only to bilateral relations, but also as a contribution to the promotion and improvement of (?relations in the) Balkans and the world in general. Both sides their agreement that differences in their systems do not constitute an obstacle to this trend. [sentence as received]

Further Reportage

For Ankara reportage of President of the SFRY Presidency Veselin Djuranovic's official visit to Turkey, see the Turkey section of the 18 October Western Europe DAILY REPORT and subsequent issues.

GRISHIN ARRIVES IN BELGRADE, INITIAL TALKS HELD

LD171709 Belgrade TANJUG Domestic Service in Serbo-Croatian 1516 GMT 17 Oct 84

[Text] Belgrade, 17 Oct (TANJUG) -- A delegation of the Moscow Gorkom headed by Viktor Vasilyevich Grishin, member of the CPSU Central Committee Politburo and first secretary of the Moscow Gorkom, arrived in Belgrade today for a 4-day visit at the invitation of the Belgrade LC Municipal Committee.

The visit, which is part of the regular cooperation between the two cities' party organizations within the framework of LCY-CPSU cooperation, coincides with the celebration of the 40th anniversary of the liberation of Belgrade, and the Moscow visitors will attend a number of the most important celebrations and rallies, such as a formal meeting in the Sava Center and the opening of the Belgrade 1944-1984 exhibition. They will also lay wreaths at the cemetery where the liberators of Belgrade are buried.

The delegation will also visit a number of work organizations, such as the Belgrade agro-economic combine, Ivo Lola Hibar machinery factory in Zeleznik, and others, and will hold talks at these places on prospects for expanding economic cooperation and trade.

The delegation's agenda also includes talks with Ali Sukrija, president of the LCY Central Committee Presidium; Branko Mikulic, member of the SFRY Presidency; and Ivan Stambolic, president of the Serbian LC Central Committee.

During the talks held in the Belgrade LC Municipal Committee, Slobodan Milosevic, president of the city committee, briefed the visitors on some of the most important LC activities in Belgrade, speaking primarily about the current economic problems and the LC's tasks in the implementation of the Long-Term Program of Economic Stabilization.

Viktor Vsilyevich Grishin briefed his hosts on the results and activities of Moscow Communists and conveyed cordial congratulations on the occasion of the 40th anniversary of the liberation of Belgrade.

Grishin, Stambolic Meet

LD172136 Belgrade TANJUG in English 1945 GMT 17 Oct 84

[Text] Belgrade, Oct 17 (TANJUG) -- League of Communists of Serbia Central Committee President Ivan Stambolic and First Secretary of the City of Moscow Party Committee Viktor Grishin today expressed satisfaction at the successful development of Yugoslav-Soviet relations.

They pointed out the need for enlarging and further developing cooperation in all domains of common interest.

Grishin is on a visit to Yugoslavia at the invitation of the League of Communists of the City of Belgrade Committee. The visit is within the framework of party cooperation between the two countries' capitals. During the cordial and friendly talks Stambolic informed Grishin about the main characteristics of the development of Serbia and, in this context, with activities of the League of Communists aimed at solving current problems in society.

Grishin spoke about the economic and political development of the Soviet Union, the work of the Moscow City Committee and activities of Moscow Communists.

U.S.-USSR RELATIONS, PROSPECTS FOR TALKS

LD171640 Zagreb Domestic Service in Serbo-Croatian 1400 GMT 17 Oct 84

[Text] In our foreign political commentary we deal with Soviet-U.S. relations. How realistic is it to suppose that a change is taking place in the two superpowers' views on the disarmament problem? Milika Sundic says:

The news that Grigoriy Romanov, member of the CPSU Politburo, spoke in favor of Soviet-U.S. talks on disarmament and primarily on the problem of preventing the militarization of space came almost at the same time that French President Mitterrand and his visitor, the Hungarian party leader Janos Kadar, called on Moscow and Washington to renew their mutual dialogue in the interests of world peace and security. The State Department assessed Romanov's statement as welcome, though it is not yet known precisely what the high-ranking Soviet party official actually said. It is worth noting that Grigoriy Romanov's statement came only a few days after the Soviet Defense Ministry announced that the Soviet Union possessed cruise missiles, or, in other words, that they had already been deployed on submarines and strategic bombers. In view of the fact that in its statement the Soviet Defense Ministry said that the deployment restored the balance which had been disturbed by the United States' deployment of Pershing missiles in Western Europe, Grigoriy Romanov's statement that the Soviet Unions ready to have talks with the United States on the problem of disarmament could be interpreted as a sign of a more elastic approach to the talks on Euromissiles and the reduction of strategic nuclear arms which were broken off toward the end of last year.

Romanov's statement could also mean that Gromyko's and Reagan's recent meeting at the White House was not quite in vain, in other words that on both sides there is a certain degree of readiness for a gradual thaw in mutual relations. The State Department had enough cause to assess Grigoriy Romanov's statement as welcome, because of the impending televised debate between Reagan and Mondale, which will be devoted to U.S. foreign policy, which, many agree, is the weakest aspect of Reagan's presidency over the past four years. The assessments of the first Reagan-Mondale debate were favorable to the Democratic Party's candidate and Reagan now needs to come out with something that will convince the U.S. public that he is giving thought to the way Soviet-U.S. relations will develop in the future or, in other words, that he attaches the appropriate importance to this question.

The appeal which Mitterrand and Kadar sent from Paris to the two superpowers could make both Moscow and Washington begin to give more serious consideration to their future relations even before the U.S. presidential elections, because the existing nuclear confrontation has obviously given no advantage to either side.

It is true that when and if negotiations are seen and accepted as inevitable, the way to the negotiating table, regardless of the major differences, will not be as long as it now seems to be and the world would have cause to hope for a change in the present behavior of the United States and the Soviet Union. Naturally, this can not happen immediately, because the United States and the Soviet Union are divided not only by missiles and by the two superpowers' eagerness not to lag behind in any way in the nuclear missile race, but also and primarily by enormous mistrust, which will not be easy to overcome even in much more favorable international conditions.

Though now contradictory statements may be expected from both Moscow and Washington, one has the impression that there has been a change for the better in Soviet-U.S. relations since the Reagan-Gromyko meeting. Grigory Romanov's statement and the State Department's positive reaction to it seems to point to such a conclusion.

REPORTAGE ON 14TH LCY CENTRAL COMMITTEE SESSION

LD171406 Belgrade TANJUG Domestic Service in Serbo-Croation 1205 GMT 16 Oct 84

[Excerpts] At its session today, the LCY Central Committee considered the realization of economic policy this year and the LC's tasks in the adoption and realization of economic policy in 1985. The introductory report was submitted by Nikola Stojanovic.

Before discussing the main theme of the session, the members of the LCY Central Committee elected Vidoje Zarkovic by secret ballot as the new member of the LCY Central Committee Presidium, replacing Veljko Milatovic, who was relieved of this office at his own request. Out of the 164 members of the LCY Central Committee, 142 attended the session and 138 voted. Nine votes were invalid, 128 members voted "for" and 1 "against." According to the LCY Statute, a two-thirds majority of votes cast by the LCY Central Committee members present is the minimum required for election.

Changes in the composition of the LCY Central Committee were also verified today. This concerns Dusan Ckrebic, elected as member of the LCY Central Committee by the Serbian LC Central Committee to replace Dragoljub Petrovic, who was relieved of this office at his own request. The Bosnia-Hercegovina LC Central Committee agreed to Mico Rakic's request to relieve him of the office of member of the LCY Central Committee, and elected Raif Dizdarevic in his place. The Montenegro LC Central Committee also granted Veljko Milatovic's request to be relieved of the office of member of the LCY Central Committee, and that was also verified at today's session. The Slovene LC Central Committee relieved Andrej Vrbic of the office of member of the LCY Central Committee and elected Janez Zemljaric in his place.

Nevenka Bubanj, who chaired this part of the session, thanked the outgoing members of the LCY Central Committee and the outgoing member of the LCY Central Committee Presidium, Veljko Milatovic, for the work they had done in these bodies and wished the newly elected members success in their work. The committee then proceeded by discussing the realization of economic policy this year and the Communists' tasks in formulating next year's economic policy.

Dobrivoje Vidic said that the proposed positions contained a correctly defined request for further easing the burden imposed on the economy in connection with the demand for a parallel intensification of the work aimed at acquiring higher income, and -- by working energetically in both directions -- achieving a considerable strengthening of the material basis of associated labor and a corresponding improvement in the material position of the working class and working people.

Speaking of unemployment, Vidic stressed that despite everything that was being done, the number of unemployed in the country is very high, and suggested that the LCY encourage considerably better organized work in connection with employment than had so far been the case.

In his view, it is possible to pursue much more efficient action at all levels in this connection, all the more so as possibilities are quite clear and the future processes are clearly defined in the Long-Term Program of Economic Stabilization.

The effect of price policy and of the conditions in which income is acquired on the exacerbation of the positions of the economy is not only reflected in the fact -- according to Takov Sirotkovic -- that the rate of inflation is rising, but also that relations in the economic position of mutually linked groupings in the reproduction cycle are also deteriorating.

All the analyses indicate that the appropriate obligations under the Long-Term Program of Economic Stabilization are again not being met this year, either regarding their extent or their essence. Though there are certain signs that economic activity is reviving and sound results have been achieved in some branches, our experience shows that all this is being achieved only as a result of the exceptional efforts made by the working people, often by working longer hours, working on Saturdays, or by adopting economy measures, Erzebet Balazevic said.

Speaking about the need to increase the economic power of the economy, Sergej Kraigher said that the central cause of all of our economic upheavals and of the disruption of our socioeconomic relations is to be found in the fact that in the existing social relations, decisionmaking on investment, and expanded reproduction is still in the hands of factors outside the basic organizations of associated labor.

It is precisely due to the existing relations and developments, especially in the field of expanded reproduction, that the Central Committee's attitudes should point out the obligation of the Communists, their organizations, and all the factors on which the changes in the legal system and in society as a whole depend in order to strive for and secure respect for the rights and responsibilities of all the institutions of the system of self-management and their organs, and prevent the usurpation of the unalienable rights of the workers, the basic organizations of associated labor and the workers' councils by anyone and from any quarter. In Kraigher's view, this is also the only effective way of protecting social property and ensuring its transformation, or, in other words, the process of freeing it from being state property and transforming it into what genuinely is social property.

Kraigher went on to stress that a program could be formulated and realized and the unity of all sectors of the working class could be consolidated only by reconstructing society's superstructure. Much is written and said today about the division of Yugoslavia into eight economic policies and so forth.

I do not underestimate such tendencies in the least, Kraigher stressed, because wherever they happen to manifest themselves and whatever their number, their spread should be prevented regardless of the fact that in places and at times there are exaggerated ideas about their intensity. However, we would be much more successful against them and would overcome them more speedily if in the course of implementing our common economic development policy, we monitored and assessed both the results achieved by the republics and provinces as self-managing communities in their development and affirmation and the causes of their possible failure to achieve these results.

This would be the quickest way to the discovery and elimination of the concrete champions of etatist trends in the development of the unified Yugoslav economic area, instead of having what at present virtually amounts to a contest in providing the blackest possible picture of our alleged division. his is the kind of active positive approach that we adopt when the consequences of catastrophes and earthquakes have to be eliminated. This is the approach that the socialist forces and the LC organizations should adopt in the self-managing organizations and communities concerned, as well as in determining the common development policies in the fields of energy, transport infrastructure, the ba ic industry, agriculture and tourism, the approach that could yield the results that are indispensable for our development.

I believe that from our discussion and from a critical assessment of our present activity, work, and involvement, there should emerge an even greater commitment and responsibility for overall social and economic development, and an increase in the responsibility of all other social factors so that we can involve ourselves to a maximum, I would even say, make exceptional efforts in a united action, to carry out the established policy of removing all the difficulties in the solution of the problems and shortcomings that we are confronted with today, said Ilija Vakic.

At the 12 October session of our provincial committee [of the Kosovo LC], in the spirit of the conclusions of the 13th session of the LCY Central Committee, we made a critical assessment of the situation in the province and laid down further tasks and commitments on this plane. Specific positive results in economic developments, especially during the last quarter, are present in the province as well. They encourage us, but also provide an incentive and oblige us to make intensified efforts along the stabilization course.

On many issues and tasks we still do not have the expected effects, and this has very adverse economic and political consequences which, within the context of our future activity, we must perceive faster and undertake more efficient measures in order to eliminate all the reasons responsible for them.

We must not be deluded into thinking that with this year's revival of production of exports, we shall easily overcome our difficulties. On the contrary, even in conditions of full support provided by the IMF and other financial institutions and banks which we have to repay our present commitments, we shall have many very complex problems next year, as has already been said and as is well-known. For instance, one problem is how to respond, in the complex conditions of preserving the present positive tendencies in these two important sectors, to our debts vis-a-vis our foreign creditors, reduce inflation, and increase our standard of living. It is unacceptable that we should go on wasting a great deal of time preparing individual measures, so much so that very often they are approved at the last moment as a result of a compromise, only to see that they are then not carried out in practice. In future, legality of work should come much more to the fore, as has been the case during the present period of our involvement in the implementation of the first stage of the Long-Term Program of Economic Stabilization.

We are so far removed from the conduct and from the way we run our economy that it could be called a change or a turn-around in the spirit of the conclusions of the 13th session of the LCY Central Committee, stressed Andrej Amrinc. Nor can we be satisfied with the present economic policies and regulations. They are all inadequately coordinated with the system of associated labor. It is administration which is predominant, and this acts as a brake on the initiative and creative effort of the collectives and of the workers. In the view of the Central Committee of the LC of Slovenia and on the basis of public discussion by the membership of the Slovenia LC, these **problems are crucial** for extricating ourselves from the present economic crisis.

There is enormouns initiative and readiness among the working class and our working people to provide a new quality in their economic operations and further afield in the overall economic life. They are aware of the current situation and know that one has to work better and produce better-quality work.

I am not convinced that our state administration -- and administration further afield, that in organizations of associated labor -- is ready and capable of assisting in affecting this change. This is why I am proposing that as the LCY Central Committee, we should render full support for the transformation and cadre consolidation of state administration.

In this context, the basic criterion for the cadres must be expertise and concepts orientated toward consolidation of socialist self-management and for the nature of our federation as agreed to by our Constitution, stressed Marinc.

Dusan Gligorijevic remarked that there were doubts about this sort of agenda for today's session in view of the fact that questions on the implementation of our economic policy in 1984 and the establishiment of economic and development policy in 1985 will be discussed properly by the delegate assemblies, especially by the SFRY Assembly. The basic point from which we are proceeding, Gligorijevic went on to say, is that we are not satisfied with the degree of implementation of the policy established in the Central Committee, and that an answer must be sought to the question: Why, after clearly expressed conclusions, stands, and recommendations, the Central Committee has not yet made substantial and essential changes in implementation of the policy of economic stabilization. Instead of beginning comprehensive and vigorous action to carry out the Long-Term Program of Economic Stabilization, some discussions bring up questions about its nature, differences are stressed, and discussions are held on possible changes and modifications to the program. These manifestations in our political life are counter to the stance of the LCY Central Committee, reduce the action capability of the the LC, and deaden the whole stabilization program policy. Such actions are retrograde, and there is no need for that at all because the Long-Term Program of Economic Stabilization is not a document which now has to be added to or changed as if it were some legal act. It was passed largely in order to cut short the marathon discussions about the direction and basis on which we should develop our economic system. And yet, 2 years after it is passed, we are forced to discuss it again in the Central Committee, to admit that our expectations regarding the implementation of what has been agreed upon in this program and in the Central Committee conclusions relating to these issues have not been fulfilled and that we have not stepped over that line in our economy that could signify a movement toward more stable economic trends.

Our responsibility is that with our resolute actions, we failed to ensure implementation of what has been agreed, and the adoption of solutions pertaining to our system and of necessary economic measures with which to carry out the objectives and tasks envisaged by the first stage of the Long-Term Program of Economic Stabilization.

If the conditions for some solutions do not exist, if the changes envisaged by the stabilization program cannot be ensured, Gligorijevic went on, it must be said what these conditions and expectations are and adopt a joint stand. If this was an issue discussed in the SFRY Assembly, the various stands would be taken note of and coordinated. However, so far the assembly has not yet received such a proposal. This is why the basic ideopolitical issue today is that we should clearly opt for the adoption of the most important laws pertaining to our system envisaged by the first stage of our stabilization program, establish responsibility for proposing and adopting them and establish responsibility for their implementation. It is difficult to explain to the LC membership that in its conclusions, the Central Committee always insists, appeals and criticizes.

It must be known to whom this is precisely referring to. It must be known which orga and organizations have not carried out their tasks.

This year, JNA [Yugoslav People's Army] members have again tried to make the biggest possible contribution to the implementation of the objectives and tasks of the stabilization policies. We are implementing this year's program of tasks concerning the development of our Armed Forces, Metodija Stefanovski said, in very complex economic conditions and against the background of realistically reduced financial resources. Thanks to the measures that have been taken and to the responsible involvement of Army members, the process of the JNA's combat buildup has not been seriously impaired, while the program of equipping our Armed Forces with weaponry and military equipment is being carried out without any major deviations.

Better and better results are being obtained in the production of food articles. We expect the value of this year's production to increase by about 100 percent compared with 1983, amounting to about 2 billion dinars. It substantially meets JNA's requirements and, in so doing, makes a considerable saving on our budgetry resources. We have not yet exhausted all the possibilities in this respect. We believe there are still untapped resources and scope for activity in this area.

I would particularly like to stress that economic and other factors in all the republics and provinces are involved in the implementation of many major projects for the requirements of our Armed Forces and for the all-people's defense system

The times in which we live, Stefanovski went on to say, demand that we turn toward what is in the interests of our country as a whole in our investment policy. The proposed stands suggest that we must march with joined forces, concentrate our strength and resources on the Yugoslav market and carry out a review, and postpone those projects that do not fall within the functions of increased exports, faster inclusion of our economy in the international division of labor, and implementation of other tasks of our stabilization policy.

Within the context of the discussion of the draft conclusion of the 13th LCY Central Committee session, Communists in the JNA point out the need to speed up work in the adoption of a real solution so that by the end of this year economic policy measures and all the documents should be adopted that will lay down the conditions for our economic policy in 1985.

It is also insisted that parallel with the adoption of all economic policy measures for next year, concrete programs should be laid down to protect the standard of living of the working people and citizens, who are threatened more than anybody else by the high rate of inflation and increased cost of living. In this context, the significance is pointed out of the fastest possible adoption of a new tax system and other measures that will deal with the relatively widespread manifestation of enrichment that is not the result of one's work and the social destratification of our population.

A prompt definition of the conditions of economic operations and the consistent implementation of the economic policy in 1985 also is of great importance from the point of view of the further development of our Armed Forces and the consolidation of the defense might of our society. We in the JNA are aware that we shall be working in difficult conditions over a fairly long period of time. This is why next year we shall once again try to operate as rationally as possible, rely to the greatest possible extent on our own resources and science, promote organization of labor, step up responsibility and productivity, and secure greater use of the capacities of our military industry.

The present practice in our country is one in which agreement is obtained relatively quickly and easily on the principled questions of our socioeconomic development, and later, when these orientations have to be applied in practice, long discussions, haggling, and diverse interpretations begin on virtually every detail, remarked Dusan Alimpic. Although no one volunteers the information that he has changed his view about the validity of adopted principles or has stepped back from the jointly agreed upon objectives, there suddenly appear as many different views as there are different interests in the discussion or in practical application. Basically speaking, this has been a characteristic of the present course of the implementation of the Long-Term Program of Economic Stabilization, the consistent application of which was to ensure the positive changes in our economic social development.

We must get rid of those people as soon as possible who are not willing to fight for the stabilization program; opportunists who sank deep into conformism, hypocrisy, and economic liberalism; and those who live with the conviction that this social undertaking can be implemented by small shifts and minute changes. These people cannot search for solutions nor can they provide an incentive for others to do so. In this connection, Alimpic stressed the need for rank-and-file members to exercise a greater influence on cadre policy. Consolidation of the influence of rank-and-file members is one of the most important elements for success in the struggle to establish a real responsibility. Changes in economic developments of the kind that we have to obtain with the implementation of the Long-Term Program of Economic Stabilization cannot be achieved merely with regulations and economic policy measures or merely by involving the assemblies and executive councils. This must be achieved through maximum involvement of everyman and every social subject.

The basic reason for hesitation in the implementation of the Long-Term Program of Economic Stabilization in its essence, in Marjan Rozic's view, boils down to opposition to self-management, opposition to the workers in associated labor controlling social reproduction.

The all-party discussion shows that working people do not accept fairy tales about self-management while etatist practice goes on. We must unhesitatingly wage a daily battle in every environment for the constitutional concept of self-management,as this is the right path and the only path along which we can implement our long-term program.

It is politically inexplicable that such a great number of questions have remained unresolved, although at the 12th session and previously we opted for our orientations and were clear in our demands of what must be done when and by whom, stressed Bogoljub Nedeljkovic. He expressed the view that this Central Committee session should constitute a change in this direction, as this kind of shortcomings and conduct can no longer be tolerated. The LCY Central Committee, said Nedeljkovic, should name those who do not carry out their tasks and call them to political account.

What we have for the normalization of production and its revival, the normalization of the supplies for the economy and for the market, and the repayment of debts is not to be underestimated. Enormous efforts has been put into it not only by work collectives, but by all our organizations and cadres, no matter how much we could criticize them for certain things, said Milutin Baltic. He gave an example to make his point. During this third year[of the current medium-term development period] ending in 1984, Croatia will pay off about $3.4 billion, partly as interest and partly as debts. This will reduce the debt by $800 million. This is an enormous effort.

We now have to concentrate on actions that will check inflation so as to change the position of producers in the distribution of income instead of continuing the trend of lowering the standard of living of the workers. This situation concerning the standard of living is such as to threaten great problems, not to say explosions, Baltic said.

According to Baltic, the central question concerns the status of the producers in the distribution of income, that is, the question of controlling extended reproduction, and of the banking and credit system, which has entangled organizations of associated labor into total indebtedness. Whenever we come up with realistic rates of interest and exchange, production grinds to a halt because the economy cannot endure the situation without asking for increased prices.

As far as banks are concerned, in Baltic's view, they have been transformed into unique enterprises that largely pay the foreign currency and dinar debts of their clients whether or not the clients have the money. The result is that all these commitments have become socialized and the organizations have become totally dependent on the banks.

Speaking about protection of the workers' living standard, Baltic stressed that social measures alone, which now are truly necessary, cannot resolve a multiplicity of problems. As an example, he pointed out the phenomenon whereby citizens and housing councils are trying to cancel heating arrangements, as well as the phenomenon of massive nonpayment for these services.

Milutin Baltic then referred to mergers between the producers, saying no serious attempts to merge have been evident. All of us in the republics now accept the pressure for a weak enterprise to join a fairly strong collective, which then has to drag the weak partner behind it for a period of 5-10 years trying to make it viable, Baltic said. Although this has to happen, it does not resolve the problem. We must begin action for the merger of the strongest Yugoslav enterprises, which will then be able to devise new programs and new production and which will have the cadres. However, the mergers between these enterprises are not proceeding well, and without it we cannot produce new commodities with which to go into foreign markets. Unless developed producers become associated, it will be impossible to achieve this.

Milutin Baltic also referred to the functioning of the foreign currency market. It is being said that we have no foreign currency market. During a period of 7 months, $911 million was earned in Croatia, partly through commodity exports, partly through services, and partly through noncommodity inflow of money in exchange bureaus; $650 million has been set aside under all payment headings; the remainder, $261 million -- which is a reduction of 30 percent -- remains for commitments to foreign countries and for current reproduction. And now that some of these commitments have been paid off, about $150 million remains. Customs records show an inflow of about $400 million. The difference that has arisen is due to the credits we have concluded and to compensation dealings.

I do not know how to treat this $650 million. According to some people, this is not the market. On this market, the oilmen are making purchases for some other requirements. On this market, to all intents and purposes, debts are being paid. We have legally obliged the organizations to pay off these debts as a matter of priority.

By the end of this session we shall probably be richer by one more set of conclusions, but denied a necessary step forward approaching the strategic questions of further implementation of the Long-Term Program of Economic Stabilization.

This step forward, Aleksandar Grlickov stressed, does not appear to have been taken because, with a calm greater than the actual state of the country allows, we talk about nonimplementation of the Long-Term Program of Economic Stabilization, about the fact that we did not carry out what we ourselves decided, and about the fact that we have not completed an enormous number of accompanying program tasks in our economic system. Without the Central Committee adopting an official conclusion to that effect, we are putting off completion of the first stage of economic stabilization for a year, Grlickov said, adding that this should alarm us a little more. I am not sure, he stressed, whether a political, economic, and social scope for the easy way we have put it off exists. He advocated that a deadline be established within which the first stage should be completed in order to maintain the freshness of our own political action in the LC.

According to Grlickov, the stabilization program is under serious attack. On one side, the attack is ideological because it is said the program is leading toward capitalism and not to the system of socialist self-management. This is not said outside our environments, but within the LC. Of course, one need not overestimate these forces, but when an idea becomes a material force and when it ties up with nonimplementation of our own objectives or with the "drop by drop" strategy of putting off the first stage of economic stabilization, then there is increased probability that soon we shall discuss with increased anxiety the problems of planning and implementing the program of our economic stabilization. If we continue with the drop by drop principle, the economy will not be able to endure much longer, Grlickov added. The economy is a much more complex system than it appears to us. If we have the slightest respect for the producers, they should know under what conditions they will be running the enterprises and how to organize themselves on a short-term and long-term basis for the battle that awaits them.

France Popit suggested that it be spelled out just which changes pertaining to our system should be adopted by the end of the year and which laws relative to our system should be adopted under the normal procedure and, if we are not successful, whether we should switch over to emergency measures.

Popit believes that the Central Committee should clearly say from which ideological positions is the blockade against changing our system being carried out. The proposals for a radical change in the role of the workers in the basic organization of associated labor and, therefore, for a change in the nature of relations in production -- in the role of the municipality republics etc., or with doing away with consensus -- are ideological and political problems. How shall we oppose such proposals and how shall we describe them ideologically is something we must clearly state in the conclusions.

We should also spell out our stance in connection with the easing of the burden on the economy, coordinating joint, general, and investment expenditures, and our real possibilities. Popit endorsed the proposal to draw up a material balance sheet of the country and to perceive specific economic problems and development possibilities of individual republics and provinces, especially the problems of economically inadequately developed areas. In this respect, we must not overestimate the possibilities inherent in economic policy for the solution of material problems.

The conviction that there is not and cannot be an alternative to implementing economic policy is present, Veselj Morina emphasized. However, it should be noted that instances continue to appear of neglect, opportunism, lack of responsibility and resolve, absence of personal example, and other negative weaknesses in solving problems and tasks arising from the long-term Program of Economic Stabilization.

From the course of the discussion up to now on proposed LCY Central Committee conclusions, we need to emphasize the demand for unity and more-effective organized activity by the LC, said Vuko Vukadinovic.

No matter how much I agree with Comrade Marinc on the need to aim resolutely and bravely at modernizing the administration and improving cadres in administration, Dragoslav Markovic said, I cannot accept his reasoning for this orientation for several reasons. During the discussion at the stabilization commission on theses for the law on planning, he called these theses anticonstitutional. From the initial phase of discussion to the coordination of the joint basis on which the law will be worked out, various confusions and digressions will be experienced, and probably we will meet with some ideologically more-or-less acceptable or unacceptable standpoints. I am afriad, he said, of discouraging by hasty political judgements every creative effort and work which might offer a solution.

Comrade Marinc says: "We found that the starting points of some essentially questions of the pre-draft, or material, and theses for working out a new systemic law on planning were contrary to constitutional orientations," and raises questions of who the authors are and how such papers come into the proceedings. It happens that I know who the authors are, and I know that a good part, half of them, worked most actively on the constitutional changes, on the 1974 Constitution, and were most actively involved in work on the Long-Term Program of Economic Stabilization that we adopted. When such an assessment is expressed at the Central Committee, it has its own weight, and I distance myself from this assessment. I also consider it my obligation to say this, both because of the people and because of the method of our future work and our discussion on essential questions.

On the other hand, the instance of a vice president of the Federal Executive Council, probably Srebric, who spoke in BORBA of our situation, is quoted. I myself read this interview but I did not read it carefully. However, on this, which is considered an object of criticism, I must say that I also think that the Long-Term Program of Economic Stabilization directly and indirectly, will not only initiate changes in the economy and in the economic system, but in the political system as well. Without certain changes in the political system, I do not think that we can have any guarantees for the realization of the Long-Term Program of Economic Stabilization. The changes have to be agreed on. This is why we opted for making a critical analysis of the functioning of the political system, presumably so that we could establish what we need to do on the basis of this critical analysis.

Marinc says that even the question of consensus in Yugoslavia is raised. And I raise it. Not in the sense of the consensus as such, but I raise the question of the consensus which, contrary to the Constitution, has expanded to become an entire method of decision-making. We have already introduced the term "outvoting" into the political vocabulary, and majority decisionmaking is used only in a pejorative sense. There is no more democratic method of decicionmaking then that of the majority. Because of the multinational federative nature of our community, we have determined which questions we must resolve by means of full unanimity, and consensus. This is fine. However, here, as in cadre policy, a good principle that ought to guarantee equality and ensure certain interests has been transformed into the opposite. Because we would like to be even "more constitutional" than the Constitution says, and "more equal" than we have agreed, we achieve the opposite effect, and cadre policy produces incapable people instead of equality, for we expand that question of equality beyond the Constitution.

And here on the question of consensus we have extended that principle of decision-making everywhere, to the community for prices and the Federal Executive Council. We criticize the Federal Executive Council for not being decisive and for not making proposals.

The Federal Executive Council works tacitly in accordance with the principle of unanimity, contrary to the Constitution. This is the best example of something more than the Constitution being just as unconstitutional as something less than the Constitution. I believe that we should discuss these questions of the functioning of the political system as soon as possible and issue proposals and documents for public discussion. These are very significant and very important questions. We need to clear up certain questions, he concluded.

Dragoslav Markovic then expressed his disagreement with Milutin Baltic's assessment to the effect that compensation and other problems of this kind are the basic reason for the nonexistence of a foreign currency market.

I believe, he said, that it is a question of much more major questions. If there is one question that the Central Committee ought to discuss, then it is this question, for it concerns differences which have not been overcome for a long time. However, we must place it on the agenda. Otherwise, assessments that have been made in passing might divert us from what is on today's agenda. Nor do I agree that the law on gross income is one that deals with financial-technical or, as was said, bookkeeping questions. It is a very significant law that has been much fought over and is in reality, among other things, connected with the problem of the foreign currency system.

The Central Committee should not and cannot replace self-management bodies and delegate assemblies in solving specific questions. However, if there is lengthy disagreement on some questions, the Central Committee would probably, through its discussion, be able to expedite, promote and help to illuminate all aspects and permit the adoption of certain decisions.

We need to jointly assess what the questions are which, in connection with the implementation of the Long-Term Economic Stabilization Program and the setting of our policy for next year, require prior discussion among us.

The worst thing is to casually come out with a view, and this often happens to all of us at these discussions. The view remains unanswered, for it is not on the agenda, and this view can then remain the Central Committee's for the LC membership.

France Popit asked to speak again after Dragoslav Markovic.

I agree, he said, that at a session such as this things are discussed more specifically, but what Comrade Markovic has now said indicates that he shows understanding for all those attitudes which, in fact, run counter to what we have already agreed upon in the Law on Associated Labor, the Constitution and the Long-Term Program of Economic Stabilization. I think that at the beginning there may be many different attitudes toward any problem and many ways of approaching it and so forth, but I do not believe that it is right to try to justify everything in this way, Popit said. On the other hand, Marinc outlined our views on ways of solving these problems. These are our views on the problems that we encounter. I do not know whether it is right for Comrade Markovic to label Marinc in a way. Marinc outlined attitudes. Let us sit down peacefully, discuss this matter, and see what it is all about, Popit said.

Andrej Marinc replied to Markovic in connection with the political system and attitudes toward changes in it or, in other words, the attitude that by virtue of the Long-Term Program of Economic Stabilization we have opted for changes in the political system. I am not, he said, opposed to changes, but I should like to recall the 10th Central Committee session, at which we clearly stated that discussing changes in the political system was not a simple matter.

Discussing changes in the political system, it is my deep conviction, means accepting not only the economic, but also a political and social crisis. When we accepted the Long-Term Program of Economic Stabilization, we accepted the assessment that we were suffering from an economic crisis and that we were not suffering from a social crisis. Opening up the question of the political system without any orientation may be interpreted as an admission that we have a political crisis in our society. It is not good that we should speak thus about changes in the political system, Marinc said. Also, I did not say that the theses for the new law on planning were unconstitutional. I said that with regard to a number of questions, they did not proceed from constitutional foundations. What is demanded is a change in the role of the work organization, but the present Law on Associated Labor enables us to constitute the basic organization of associated labor in a more adequate manner. Reference is made to a new role of the federal plan, and to various funds. This is a return to the social-institutional funds at the level of the federation. That leads to state-capital relations and so forth. I think that we must also be sensitive with regard to proposals, Marinc said.

In his reply, Milutin Baltic said that he was not trying to prove out of context that the foreign exchange market does not exist. The foreign exchange market exists in the form in which we defined it in the stabilization program. We jointly agreed that basic exporting organizations, either on their own or by pooling their resources with someone else in the sphere of export, realize a part of foreign exchange on the basis of criteria which are not their own but which are jointly formulated in the self-managing interest community, chamber and so forth, and that the surplus foreign exchange, the amount in excess of this, should go to the foreign exchange market. I said that this amounted to $650 million in the case of Croatia, and that out of the remaining amount, which should be left for organizations for their current reproduction, almost half has to be given for the repayment of debts that they are bound by law to repay. Their current reproduction is thus not paid for with the remaining funds, but with a part of those funds. Another part is paid for from credits that we obtained on the one hand by means of rescheduling a part of our debts, and on the other from credits which we received to pay for reproduction materials, as well as from subsidies, which have risen owing to difficulties in recent years. Consequently, this market does exist. The Federal Executive Council can announce that it will come to the Square of the Republic in Zagreb or the Terazije in Belgrade with this 650 million and hold an auction and see who can pay more and buy foreign exchange, but, if it can, let it change all this and let us see how we shall sell this foreign exchange market based solely on this remaining sum and not on the disposal of all the foreign exchange, which I think is unacceptable. What we are doing now is much more rigorous than we intended with regard to our obligations. We are implementing precisely what we set ourselves in this stabilization program, and yet the suggestion made in public is that the stabilization program is not being implemented. If comrades are suggesting that this part of the stabilization program be changed, then let us start a discussion. I have nothing against it, but I think that it will not contribute anything.

Dragoslav Markovic then asked to speak again, saying that Marinc's additional explanation is quite acceptable, and that nothing has been left unexplained.

It goes without saying, he added, I have also heard Comrade Baltic. I stick to the view that owing to the Central Committee's manner of work, it is not good to express out-of-context views on any major questions over which there are differences. If we do consider that differences exist, we should draw the necessary conclusion and place the matter on the session agenda. However, while I accept the manner in which Comrade Marinc and Comrade Baltic polemicize and explain things, I do not and cannot accept the manner of polemicizing used by Comrade Popit, who described me as man who a priori shows understanding for all unconstitutional orientations.

I did not speak about any specific question; I only said that it is difficult to give an a priori qualification of attitudes that are not under discussion. We shall discuss the political system; we shall discuss what and how much and where should be changed [words indistinct], and not the political system, which is based on the Constitution in whose favor we have declared ourselves.

I think that the discussion will show that it will be necessary, from the basic organization upward, to speak to effect some improvements and eliminate weak points to enable us to ensure the greater efficiency and better work of the system. Dragoslav Markovic said.

Speaking about the inadequate pace of the implementation of the Long-Term Program of Economic Stabilization, Tihomir Vlaskalic stressed that in view of the profound changes that this document anticipates and requires, the attempts to slow down and ilute the agreed solutions as well as opposition of all kinds are not only to be expected, but anticipated. The crux of the problem in connection with the delays in the implementation of the stabilization program is not only in resistance to the program and differences, Vlaskalic added. He wondered how it is possible for the stabilization program to be implemented and applied slowly when it was accepted by all the official structures of our society, which also accepted the commitment to apply it.

This constitutes the di ect link between the stabilization program and the political system, that is, between the implementation of the stabilization program and the functioning of our political system. In Vlaskalic's view, two major shortcomings have taken root in the practice of the functioning of our political system: in the adoption of the decisions in all the institutions of our political system, as a rule they are adopted slowly, with delays, and as a result of many compromises, and when they are adopted and approved they are not implemented or are not implemented by everyone, or are implemented partially, or in accordance with someone's whims, and the like.

Vesela Gogova spoke of the gist of the decision made in Macedonia on the draft conclusions of the 13th LCY Central Committee session, stressing that there was a demand to establish the specific responsibility of those who are not fulfilling their commitment and not performing their work tasks. The Communists demand that specific ideopolitical and other measures be taken against the protagonists of deviant manifestations and conduct. In the discussions, they express their dissatisfaction with the inefficient solution of individual questions of wider social interest which, by and large, are linked to the implementation of unified interests of the working class and of our society as a whole. In the context the question is particularly asked: Why is the first phase of economic stabilization not being implemented and why are the protagonists of the conduct that is slowing down the process of its implementation not identified?

During the last 10 years or so we have not established the best possible link between internal and external processes, Mirko Ostojic said, as he was pointing out the international aspect of the problems on which the discussion was held. This is particularly true in view of the fact that we are a country with very good links with the world, and that we enjoy a favorable international status from which we can view the complex undercurrents of present relations and be alert to an intimation of forthcoming events, and we were virtually shocked by their consequences. We reacted slowly and with inertia to the two oil blows that shook the world economy. We were also inept in the prelude to the big changes in the world capital market.

Our country is an object of great attention. Our internal developments are followed and analyzed from all sides. Some main groups of reaction to our development processes can be discerned, Ostojic said. First and foremost, there has been a great revival in the activity of enemy forces, who appear to think that their time has come. The support for "dissidents," pressure under the slogan of human rights, the attempt to requalify enemy and fascist emigrants into legal political movements, some aspects of church activity -- all these and similar manifestations are quite clear to us. There is no compromise on this level, and the struggle must be waged with all political, ideological and administrative resources.

However, there is in the ranks of our allies and friends, especially in West Europe, intermittent concern for some of our moves channeled into the defense of our achievements against the attacks of the counterrevolution. They include prominent personalities, renowned humanists, who express concern for everything in our life that could affect their sentiments and their concept of human rights. These people will be bothered for more if an unknown and insignificant person is deprived of freedom in our country because of some enemy action than by the mass terror applied to the miners in their countries. According to these people, we must be exceptionally considerate and tolerant, he said. We should embark on patient negotiations, daily contacts, and an extensive process of clarification.

Significant reaction to our developments, Ostojic continued, also comes from foreign economic financial circles, including the IMF and other institutions. However unpleasant some of their observations are to us, they do contain a grain of truth. From the position of financial summits and highly productive economies, our system does appear to be inefficient, complex, and irrational, it multiplies production, forces superstructure, and expands the social overheads of production. Of course, we will allow no one to judge us by their own yardsticks and change us according to their criteria. However, despite all our reservations and the necessary caution, we nevertheless have to accept some of these observations and change whatever has to be changed faster.

Mirko Ostojic said in conclusion that more than at any time during the postwar period, our international status is being resolved in our country today on the specific questions of the struggle for stabilization. Anyweakening of our international position has a multiple negative countereffect on our whole life at home.

I believe that the assessment to the effect that the initial results on the stabilization of overall economic trends are implemented is accurate, Stojce Stojcevski said. However, it is also true that all these results were implemented in conditions of a pronounced high rate of inflation, of the absence or delay of measures and instruments of economic policy, in conditions of pronounced internal liquidity [as received], increased losses and, especially, in conditions of a further fall in the real personal income of the workers and the overall living standard of our working people and citizens.

In these conditions, workers in organizations of associated labor behaved responsibly in the implementation of the stabilization program, and everything referring to their business and tasks that depended on their behavior was in the service of stabilization objectives. All this testifies to the fact that the working class is behaving rationally in the distribution of income in these difficult conditions, and it bears the heaviest burden of economic stabilization.

Nijaz Dizdarevic stressed that the entire LC and all our public are carefully watching to see whether the Central Committee will measure up to what the all-party discussion on the draft conclusions has already produced, whether by its own example it will raise the level of discussion on these economic questions and contribute to this debate's becoming even more cogent and even more specific, or whether it will be instrumental in discouraging the discussion and processes, arresting them at their very beginning.

Dizdarevic emphasized the importance of the LCY Central Committee's activity for the LC's unity and the need for the Central Committee to confront all issues just as is done by the LCY membership. In this connection, he spoke of the tendencies of federalization and disunity within the LCY, of the need for a synthesis on the essential questions of development and of overcoming ideological differences. If we prolong parallel monologues on diverse viewpoints, we will block the LC action, Dizdarevic said, adding that the SFRY Assembly will not have the time to complete its tasks either unless the Central Committee can help overcome substantial differences.

Dizdarevic stressed that there is always the problem of partial and general interest in the LC. In the past it was the imposition of general interest and the pushing aside of legitimate interests of individual sectors. Now we have completely gone over to the other extreme, into absolutization of local interests and inability of synthesis. Will we now find the golden mean following historic experience over the last 25-30 years? The party is boiling over. We asked it to boil over. It discusses, it demands our responsibility, our unity, and our role. Will we fulfill this role, and will we completely concentrate our own responsibility on a point where we want others to bear their responsibility? This means the assembly, the Federal Executive Council and all the others about which we are talking.

In conclusion, Dizdarevic pointed out a specific kind of state capital at the republican level and at the municipal level, advocating the abolition of all vestiges of statist relations whereby surplus value is alienated from the workers.

We are being asked to examine how to work up to the congress, not only because of the statute commitment whereby the Central Committee is responsible for policy between one congress and another but for essential reasons as well, Dusan Dragosavac said. This is an opportunity, while the discussion on the draft conclusions of the 13th session is underway, for us to achieve a synthesis of different problems and promptly assume the stands on these problems.

Stressing that the dilemmas about which questions are more important -- economic stabilization or ideological problems -- are superfluous, Dragosavac said that these questions are indivisible. They overlap and we shall have to discuss these things and adopt stands on them from unified positions as Central Committee members. Having recalled that everything, in one way or another, is expressed through prices, Dragosavac stressed that there is the logical conclusion that it will be impossible to successfully pursue a price policy from one single center. In fact, it cannot be pursued from one single center, although as far as policy creation is concerned, that center can play an important role. The problem of prices cannot be resolved through administrative price freezes on one occasion, and on another by letting the whole thing go. With the aid of science and economic policy, we must take all these things into account, and we shall have to see how we can at least partly free the executive councils, the federal and the republican councils as well, and subsequently also the assemblies, from what they are doing today. By and large, everything is concentrated on how to collect the resources to pay off the debts and for investments, which prevents associated labor from pursuing an economic policy.

Following the discussion, which lasted for 12 hours and in which 24 LCY Central Committee members took part, the LCY Central Committee stands on the implementation of economic policy in 1984 and the tasks of the LC in establishing and implementing economic policy and development in 1985 were adopted. The LCY Central Committee empowered the commission responsible for the drafting of stands to prepare a final edited version of the text.

The LCY Central Committee session ended at approximately 2100.

## Stands of 14th LCY CC

LD171954 Belgrade TANJUG Domestic Service in Serbo-Croatian 1917 GMT 17 Oct 84

["Stands of the 14th LCY Central Committee Session" -- TANJUG Headline]

[Text] Belgrade, 17 Oct (TANJUG) -- At its 14th session held on 16 October 1984, the LCY Central Committee discussed the implementation of economic policy in 1984 and the tasks of LC members, organizations and organs in the establishment and implementation of development policy in 1985. The LCY Central Committee believes that further development of ideopolitical unity in the LC is necessary so that in a joint action by organized socialist forces and all working people, organs and sociopolitical communities of self-management organs could adopt an economic and development policy that will be in keeping with the ideopolitical orientations of the LCY regarding the implementation of the stabilization program.

In discussing these questions the LCY Central Committee also proceeds from the party discussion on the draft conclusions of the 13th LCY Central Committee session.

The Central Committee has made the assessment that at the present stage of the country's socioeconomic development, the basic characteristics are provided by the intensified efforts of the implementation of the Long-Term Program of Economic Stabilization along the line of the further development of socialist self-management relations. In very complex internal and external conditions -- thanks to the efforts made by the working people, especially in production activities -- results are achieved which represent a good basis for the even faster and more efficient implementation of the stabilization program's tasks. The results which we are obtaining are a confirmation of the correctness of the stabilization policy because they show that the awareness about the need for economic stabilization -- as the only alternative to ensure successful development and a way out of our difficulties -- is gaining strength among the working class, among organized subjective forces and our society as a whole. The Central Committee notes that these efforts are adequately backed by economic policy measures and instruments and that appropriate organs are slow in becoming involved in specific activities for realizing the tasks in the first stage of the stabilization program.

The LCY Central Committee makes the assessment that the results obtained to date are only the first but an inadequate step toward extensive changes in existing social relations, in our economic policy and in the conduct of associated labor organizations and of self-management and sociopolitical communities along the stabilization line. Their consolidation and further strengthening -- with the aim to faster develop socialist self-management relations -- urgently require curbing ideological hesitation as regards the necessary changes in our economic system on the basis of the orientations of the stabilization program, and that those who defend monopoly and privileged positions and autarchic conduct be vigorously resisted.

1. The LCY Central Committee demands that by the end of 1984 the economic and development policy for 1985 be adopted and all necessary measures, regulations, agreements and accords be approved that will lay down the conditions for the economic operations of social subjects. The Central Committee urges Communists to maximize efforts in performing these tasks. In this respect, special responsibility devolves on the Communists in the most responsible organs of the federation, republics and provinces, and especially in delegate assemblies and in executive and self-management organs. The LCY Central Committee Presidium is responsible for setting in motion the activity to overcome the differences responsible for the delays and blockades in adopting economic measures and changes in the economic system and also in overcoming the differences in the vital economic and development policy questions. The Presidium will regularly inform the LCY Central Committee on the course of implementing these tasks.

Next year's development and economic policy should be consistently used to formulate and specify the targets and tasks of the stabilization program so that economic activity on high-quality foundations can more rapidly develop. This is why this policy must be dynamic and oriented toward production and export -- consistently along the line of the further development of socialist self-management ownership relations.

2. The Central Committee believes that deeper changes -- based on the stabilization program -- are required, and in particular:

-- to ensure further growth of production, income and exports, especially into the convertible currency area, and of high quality structural changes in the economy, primarily by pooling labor and resources, enhancing labor productivity, better use of capacities and strengthening other economic factors;

-- to prepare a proposal concerning the implementation of the stabilization program's stands relative to scientific and technological development and to undertake measures to ensure higher investments in a faster development of research and scientific work, and to encourage innovative and inventive work and their broadest possible application in material production and in social development as a whole;

-- to continue the incipient action and to take fresh steps to ease the burden on the economy by reducing the dues levied on the economy and by redistributing the income to its advantage in order to arrest a further fall in and open up the process of increasing the share of the economy in income distribution; in this context, a comprehensive program of specific measures must be adopted in order to ease the burden on the economy and keep the LCY Central Committee informed about the progress in implementing this program;

-- by consistently implementing the concept of realistic interest rates and of a realistic dinar exchange rate, to review and evaluate which unfavorable effects were created by the application of these instruments in individual activities and which anticipated measures were not taken and why in keeping with the stabilization program and clarify the uncertainties arising from it;

-- to prepare a proposal and to begin adopting measures in order to disentangle the present relations and the economy's dependence on the banks in order to create conditions in which extended reproduction will be based more on resources from its own accumulation and income and on the pooling of labor and resources based on self-management principles;

-- to review all causes of inflation, and through the consolidation of the economy's material position, consistent implementation of economic criteria in industrial operations, coordination of expenditures and real possibilities, and widening the scope to form prices in keeping with market conditions, and through the adoption of other economic measures, to arrest a further growth in inflation and to gradually reduce its rate;

-- to accelerate the adoption of measures and actions to financially consolidate the economy and the banks and to transform them into assiciations of associated labor, as well as to bring about financial consolidation of other social subjects, particularly bearing in mind the implementation of the policy of development of individual economically underdeveloped republics and of the Socialist Autonomous Province of Kosovo; to clarify the economic and financial situation in organizations of associated labor and their reciprocal rights and commitments, and their relationship with business banks;

-- to secure our country's foreign liquidity in 1985 and to establish a program of reducing our country's absolute and relative indebtedness;

-- to strengthen the working and income motivation of the workers, to arrest a further decline in real personal income, to assure its growth in keeping with increased labor productivity, and to most extensively support production and creative work;

-- to determine the tasks in the SFRY Assembly regarding the further development of the system of extended reproduction and of past labor in keeping with the basic orientations regarding the position of the workers in reproduction, and on the basis of the stabilization program, to adopt and consistently implement the agreement on joint foundations for the self-management settlement or relations in earning and distributing income;

-- to revise investments by postponing the construction of a series of investment projects with a view to improving their structure and the creation of conditions for the reprogramming of the economy's debts; to introduce functional amortization that would ensure priority for allocations for the renewal and modernization of the basic resources or organizations of associated labor, the strengthening of self-management concentration, and the circulation of investment resources in the unified Yugoslav market; to establish a strategy for and the directions of the economy's further development, and to ensure that investment policy is directed and carried out on these bases;

-- to prepare a proposal for implementing the stands from the stabilization program on financing general and joint consumption; to ensure that there will be no increase in general consumption above the real level achieved and, through the development of free exchange of labor, to bring social activities into a more equitable socioeconomic position and bring real relations to income that has been realized, and carry out a revision of the rights, including the budget, of the federation, and the rationalization of the business of social activities; to transform and equip with cadres of the state administration in order to be able to carry out the stabilization program;

-- to encourage workers' efforts aimed at self-management linking of organizations associated labor on the basis of the joint program and development plans with a view to equipping them to raise the quality of economic activity, to apply contemporary technology and achieve more effective involvement in world economic trends;

-- In associated labor and delegate assemblies at all levels, to carry out more organized activity in cooperation with the trade union council, the economic chambers and employment communities, in order to achieve the most successful possible involvement in achieving greater employment, particularly of young people and educated cadres;

-- in adopting economic policy measures, to establish and implement programs of social measures and activities that will help some working people and the population most affected materially by the high increase in the cost of living.

3. It is essential that in 1985 activity on adopting and performing tasks for the next stage of the Long-Term Program of Economic Stabilization be strengthened and better organized, and that a development strategy be established that will be the basis for self-management concentration and the direction of resources for accumulation, as well as an obligatory basis for adopting development plans in organizations of associated labor, self-management interest communities, and sociopolitical communities.

We need to work out general economic balance-sheets for the country as a basis for planning and implementing economic policy, and to consider specific economic problems and the development possibilities of individual republics and provinces, particularly of those economically underdeveloped, on which the problems and development possibilities of the Socialist Autonomous Province of Kosovo should be considered in the light of implementing the platform. With this aim in mind, we need to promote and coordinate statistics and social evidence in institutes for statistics, the social accountancy service, national banks, and other institutions with the needs of associated labor and sociopolitical communities, and also to develop a modern unified system of social information activity. Through plans, we need to work out a way of achieving the aims of the next stage of the stabilization program, ensuring continued progress for self-management and the country's technical and technological development.

4. The LCY Central Committee emphasizes that it is of essential importance for the realization of the Long-Term Program of Economic Stabilization that the implementation of economic policy this year and in 1985 be ensured, and this requires full mobilization and responsibility by the LC members, LC organizations and leaderships, working people and citizens, self-management bodies, and sociopolitical organizations joined in the Socialist Alliance. In the struggle to mobilize around the realization of stabilization and self-management development, it is essential to distinguish those who behave in a way that is contrary to the LC's ideopolitical orientations. Party discussions on the proposed conclusions of the 13th LCY Central Committee session give a strong impetus to making the LC and all other organized socialist forces more active.

5. The Central Committee considers it essential that the realization of tasks in adopting and implementing economic and development policy for 1985 be approached by LC central and provincial committees and all other LC organs and organizations in a unified way, in accordance with these stands. The Central Committee makes it binding on its members and on the central, provincial, and municipal committees, and basic organizations of the LC to equip LC members, through their activity, so that they contribute to a greater extent to strengthening the influence of and decisionmaking by workers during the establishment of mutual rights and obligations, the adoption of plans, and the distribution of income, and to affirming workers' councils, delegations and delegates in the adoption of decisions in banks and assemblies of self-management interest and sociopolitical communities.

The Central Committee charges the LCY Central Committee Presidium with monitoring, directing, and stimulating LC activity and activity by all other organized socialist forces in carrying out these stands and, in line with the LCY Statute, to seek and take an active part in the ideopolitical clearing up of questions of dispute in those LC leaderships in which these LCY Central Committee stands are not implemented, and to keep the LCY Central Committee regularly informed about the progress and results of social activity.

## 'Polemical Sparks' Fly

AU170841 Belgrade Domestic Service in Serbo-Croatian 2100 GMT 16 Oct 84

[Excerpts] The 14th session of the LCY Central Committee concluded in Belgrade this evening with the adoption of positions. The session discussed the implementation of economic policy this year and the tasks of the LC in the adoption and implementation of next year's economic policy.

To a certain extent, the discussion exceeded the agenda, which was expressed with the assessment that hopes had been raised in the workers class and the party that today's session will solve some vital questions broached at the preceding session of the Central Committee, among others, how to overcome the disunity occurring within the LC and its leaderships, whether the changes in the economic system are conditional upon changes in the political system, and what to change in the method and content of work of the Central Committee.

Although the discussion generally ran in a settled way certain polemical sparks were made to fly by indications of various planning concepts, the unjustified spread of consensus in decisionmaking, and the lack of agreement on the suitability of changes in the political system. In subsequent discussion, however, it was shown that the differences in views are a consequence of a certain lack of precision in formations.

It is unanimously believed that the LC should better organize itself so that it may even more efficiently and successfully carry out its set tasks until the next congress of Yugoslov Communists. The need arises, therefore, for the Central Committee to systematize the questions posed by the members and imposed by practice, and for it to offer acceptable answers to them In particular, it was stressed that the first condition for implementing the program of economic stabilization and social stability is a further development of self-management. Therefore, one cannot come to a Central Committee session with an imperative mandate, because such a mandate to a considerable degree contrasts with the principle of democratic centralism.

## CC MUST MAKE CONCRETE MOVES AGAINST RESISTANCE

AU171343 Belgrade BORBA in Serbo-Croatian 15 Oct 84 p 2

[Ivan Torov commentary: "Stop Those Dragging Their Feet"]

[Excerpts] It is certain that the discussion at tomorrow's 14th LCY Central Committee Plenum on ideological questions regarding economic policy implementation this year and next year and the economic stabilization program comes (again) at the right political time, provided of course that the members of the highest party organ between the two congresses will really discuss all those ideological disagreements, misunderstandings, resistance, disunity, and controversies linked with the implementation of the first stage of economic stabilization.

In stressing this, we have in mind extremely strong reasons from social practice and from every day which, it is expected, should set the tone for the speeches by Central Committee members.

The public debate about the draft conclusions of the 13th LCY Central Committee Plenum, at least as far as the rank and file and associated labor are concerned, is very definite: If the LCY wishes to enhance its leading role in society and regain the rather shaken confidence of its members, it must put on the agenda without any further delay and vacillation the ideological background to the fact that the first stage of the stabilization program is not being implemented. To repeat the conclusions of the 10th, 12th, and especially the latest, 13th sessions of the LCY Central Committee, without making any concrete political moves against those who are putting up resistance to the changes or against those, as one has again been hearing recently, who want the discussion to start again from the beginning and the program possibly to be changed, would mean to display impotence against those forces, both in the LC and outside it, whose interests are very much affected by a radical change of the economic system.

If one is to judge by the significant differences displayed by the republics and provinces in their protracted and painstaking negotiations at the federal level about every move of practical economic policy, it is difficult to believe that what has been lost earlier can be made good in just 2 and 1/2 months.

The very fact -- which was also pointed out at the recent conference in the Marxist Center of the Serbian LC Central Committee -- that the causes of inconsistencies and resistance to the stabilization program must be sought in the political system, whose (non) functioning gives rise to politics prevailing over economics, is a sufficient indication of the complex situations facing the LC and the entire society in their striving to get out of the crisis situation as quickly as possible.

It will certainly be a mistake if the LCY Central Committee by any chance repeats its position of the 10th session regarding the political responsibility of those who offer resistance to the implementation of the agreed economic policy, without making this responsibility specific and precisely located.

## SEP INDUSTRIAL PRODUCTION STATISTICS ANNOUNCED

LD181050 Belgrade TANJUG Domestic Service in Serbo-Croatian 1317 GMT 17 Oct 84

[Text] Belgrade, 17 Oct (TANJUG) -- The Federal Institute for Statistics announced today that industrial production rose in September by 3.6 percent as compared with September last year and that the rate of production increase in the first 9 months was 5 percent higher than in the same period last year.

The production increase recorded in September was 13.1 percent in Montenegro, 4.9 percent in Serbia, 15 percent in Kosovo, 4.3 percent in Vojvodina, 4.2 percent in Serbia, excluding the two provinces, 4.2 percent in Bosnia and Hercegovina, 4.1 percent in Macedonia, 3.3 percent in Croatia and 3.5 percent in Slovenia.

Montenegro also occupies the top place as far as the first 9 months of the year are concerned, with an increase of 16.9 percent as compared with the same period last year. Macedonia is second with 8.4 percent, then Serbia 6 percent (Serbia without the provinces 7.4 percent, Kosovo 3.9 and Vojvodina 3.5 percent), Croatia 5.5 percent, Slovenia 2.9 and Bosnia and Hercegovina 2.6 percent.

The highest September increase was recorded by the chemical industry (29.6 percent), processing of nonmetals (20.3 percent), and the electricity sector and production of oil derivatives (17 percent each). The highest growth recorded in the first 9 months was by shipbuilding (32 percent), nonmetals (17.9 percent), production of chemical products (15 percent), production of leather footwear and products (11.4 percent), ferrous metallurgy (7.8 percent), production of electrical machinery and apparatus (7.5 percent), production of ready-made textile goods (7.3 percent), electricity economy (7.2 percent) and production of finished wood products (6.9 percent).

## TRIAL OF SIX DISSIDENTS SET FOR 5 NOV IN BELGRADE

AU181030 Belgrade POLITIKA in Serbo-Croatian 17 Oct 84 p 12

[Text] The trial of six people accused of the criminal act of association for the purpose of hostile activities has been set in the District Court of Belgrade. Those in the dock on 5 November will be: Vladimir Mijanovic [name as published, 6 Aug report of indictment has Mijanovic], 38, of New Belgrade, Gandijeva Street 29a; Miodrag Milic, 55, of Belgrade, Cara Urosa Street 6a; Dragomir Olujic, 35, also of Belgrade, Knez-Miletina Street 40; Gordan Jovanovic, 23, of Kraljevo, Borisa Kidrica Street 130; Pavlisko Imsirovic, 36 of Belgrade, Kosovska Street 9; and Milan Nikolic, 37, of Zemun, Save Kovacevica Street 1.

## ATTENDANCE AT 26 SEPTEMBER PRESIDENCY SESSION

AU161811 [Editorial Report] Belgrade Television Service in Serbo-Croatian at 1730 GMT on 26 September carries a 1-minute video report on the session of the SFRY Presidency on that day, chaired by Veselin Djuranovic, discussing anti-inflation policy and warning about high inflation nearing 60 percent this year, and posing a serious threat to the implementation of the policy of economic stabilization and to social production.

The film clip shows the following at the session, sitting clockwise at the usual circular table: Stane Dolanc, Branko Mikulic, Radovan Vlajkovic, Veselin Djuranovic, Secretary Muhamed Berberovic, an empty seat, Lazar Mojsov, Nikola Ljubicic, Sinan Hasani, an unknown man, and an unidentifiable man. Among others seen to be attending the session, Milka Planinc and President Dusan Alimpic can be seen, but the exact position of their seats cannot be determined.

## TRADE, INDUSTRIAL COOPERATION WITH EEC DISCUSSED

LD172325 Belgrade TANJUG in English 1642 GMT 17 Oct 84

[Text] Sarajevo, Oct 17 (TANJUG) -- About one hundred industrial and trade representatives from Yugoslavia and European Economic Community countries met here today to discuss past experience and future prospects of cooperation in trade in non-ferrous metal manufactures. The meeting was organized by the Yugoslav Chamber of Economy and the Energoinvest Associated Enterprises.

The Yugoslav side insists that the EEC countries should raise their import quotas for Yugoslav non-ferrous metal manufactures that the community's protectionist measures should be eased. It also points to the need for improving the pattern of Yugoslav exports to the EEC, which have been on an increase over the past few years owing solely to the increased export of unrefined metals.

Yugoslavia holds that the EEC could participate in joint ventures in capital construction and reconstruction of non-ferrous metals manufacturing facilities in Yugoslavia and cooperate in joint projects in third markets.

The export of Yugoslav non-ferrous metal manufacturers to the EEC countries is increasing at an average annual rate of 16 percent. Last year, it exceeded 657 million dollars, while the import of non-ferrous metal manufacturers from the community countries amounted to 415 million dollars.

## SEARCH FOR MISSING ARMY HELICOPTER CONTINUES

LD171415 Belgrade TANJUG Domestic Service in Serbo-Croatian 1813 GMT 16 Oct 84

[Text] Ljubljana, 16 Oct (TANJUG) -- In connection with the search for the Yugoslav People's Army Gazelle-type helicopter, which disappeared on Friday, 12 October, the Slovene Republican Committee for Information issued the following statement today:

"Members of the Yugoslav People's Army and territorial defense, workers of the organs of internal affairs, and citizens yesterday searched a wide area of Cerknica and Postojna, and today the search was focused on an extensive area of Ig Vintgar and the peaks of Koren, (Zilce), and Studeno in the direction of Planina. Several thousand people took part in the search for the missing helicopter. Also taking part in the search are helicopters of the Yugoslav People's Army and the Republican Secretariat for Internal Affairs, experts with the latest search apparatus, speleologists, foresters, hunters, and others.

"Organs of internal affairs and members of social self-protection continue to collect information on the missing helicopter in the wider area of its planned flight.

"The extensive search action has proved fruitless. The search continues."

## BRIEFS

KOSOVO REAL INCOMES DECLINE -- At today's meeting the Executive Council of the Kosovo Assembly approved the report on the application of the incomes policy. The Executive Council's report, which is to be sent to the Assembly, notes that overall incomes in the province increased 51 percent during the first half of the current year, compared with the corresponding period of the previous year. The average personal income per employed person in the province during the first 6 months of the current year was 16,191 dinars, 36 percent higher than in the corresponding period of the previous year. However, owing to the rise in the cost of living, the real value of personal incomes declined 13 percent. [Summary] [Pristina Domestic Service in Albanian 1800 GMT 4 Oct 84 AU]

EMIGRANT WORKERS, UNEMPLOYMENT FIGURES -- Kranj, 27 Sep (TANJUG) -- A session of the Assembly of the Federation of the Self-Managing Interest Communities for Employment of Yugoslavia held in Kranj was told that over 740,000 Yugoslavs are at present employed abroad. There are 315,000 in the FRG, 80,000 in Austria, 64,000 in Switzerland, 40,000 in France, and 21,000 in Sweden. Some 35 percent are women. In addition, over 460,000 dependents also live in West European countries. Over 500,000 workers returned from temporary work abroad in the past 10 years. In Yugoslavia, there are more than 900,000 unemployed, and over half of them are young and skilled. [Summary] [Belgrade POLITIKA in Serbo-Croatian 28 Sep 84 p 6 AU]